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GOVERNMENT AND ADMINISTRATION

Northern Ireland

CONVENTION ELECTIONS

Elections to the Constitutional Convention (see p 247, 1974), which were announced by the Secretary of State for Northern Ireland on 25 March in the House of Commons (*Hansard*, written answers, col 100) and held on 1 May, resulted in an overall majority for the 'loyalist' United Ulster Unionist Coalition – the coalition comprising the Official Unionist Party (leader, Mr West), the Vanguard Unionist Party (leader, Mr Craig), and the Democratic Unionist Party (leader, Mr Paisley) who opposed the constitutional proposals in the 1973 White Paper (see p 231, 1973) and, in their election manifesto of April 1975, urged straightforward majority rule, with parliamentary committees representing Opposition parties on the basis of their strength in the legislature, and control of security and the police vested in the local administration. The largest minority party to emerge was the Social Democratic and Labour Party – the mainly Roman Catholic party whose leader, Mr Gerald Fitt, was deputy head of the former Northern Ireland Executive (see p 483, 1973), and whose manifesto called for an administration in which both sections of the Northern Ireland community could participate to the full, and for recognition and acceptance of both the British and the Irish dimension. The non-aligned Alliance Party, whose manifesto also favoured shared governmental responsibility, won approximately 10 per cent of the votes cast; while less than 10 per cent went to the Unionist Party of Northern Ireland, whose leader is Mr Brian Faulkner former Prime Minister of Northern Ireland and former head of the Northern Ireland Executive, and who pledged themselves in their manifesto to 'work towards those forms of government which will keep Ulster firmly within the United Kingdom and which will involve all sections of our people in working for peace and prosperity'.

Candidates and Results

The Convention's 78 seats were contested by 165 candidates of whom 62 were nominated by the UUUC; 30 by the SDLP; 23 by the Alliance Party; 18 by the Unionist Party of Northern Ireland; 17 by the Republican Clubs (dominated by the Official IRA); 6 by the Northern Ireland Labour Party; and 2 by the Communist Party; 7 stood as Independents. The election was fought in Northern Ireland's 12 parliamentary constituencies on a multi-member basis, using the single transferable vote system of proportional representation (see p 519, 1971), and about 65 per cent of the electorate went to the polls. The detailed results were as follows:

Party	*Votes (per cent)*	*Seats*
UUUC	54	46
SDLP	24	17
Alliance Party	10	8
UPNI	8	5
Republican Clubs	2·5	0
NILP	1·4	1
Independent Unionist		1

Meeting of the Convention

The first meeting of the Convention was held on 8 May in the Assembly Chamber at Stormont, in accordance with arrangements announced in the House of Commons on 6 May (*Hansard*, written answers, col 385) by the Secretary of State for Northern Ireland. Mr Rees told the House that he had made an order for this meeting under the Northern Ireland Act 1974 (see p 247, 1974) but that, subsequently, it would be for the Convention itself to decide on the time and place of its meetings. He had, he said, also given directions for regulating the initial procedure of the Convention which would apply until such time as the Convention made its own rules for procedure.

Chairman's Statement

In his opening statement, Sir Robert Lowry, Chairman of the Convention, referred to the co-operation he had received on all sides in the organisation and equipment of the meeting as 'a happy augury', and went on to express the hope that the same spirit of 'coming together' would inform the Convention's future discussions. 'Our responsibility is now grave', he said. 'We are not a legislative assembly: we are a deliberative body. The people of Northern Ireland and far beyond . . . will follow our actions with anxious attention which even Parliament, with all its great powers, can scarcely command.'

Subsequently an all-party standing orders committee was to draw up rules of procedure.

Referendum on European Community Membership

ARRANGEMENTS APPROVED

The referendum to enable the British people to say whether the country should remain a member of the European Community is to be held on 5 June.

Legislative authority for the arrangements is contained in the Referendum Act 1975 which makes the necessary provision for the conduct of the poll and the counting of votes, and authorises grants to two organisations campaigning for and against continued membership. An Order in Council, made under the Act and approved by Parliament, fixes the date and provides for other arrangements. The total estimated cost to public funds of the referendum is about £10·25 million.

The Poll and the Question

The general approach to the organisation of the referendum is that the familiar procedures and practices applied to normal United Kingdom elections should be used as far as possible. The result will rest on a simple majority, and the Government has agreed to be bound by the verdict of the people thus expressed. No special qualifications or conditions for the size of the total vote or the majority have been made.

The referendum will ask for a simple 'yes' or 'no' to a single straightforward question about Community membership. The wording to be used on each ballot paper is as follows:

> *The Government have announced the results of the renegotiation of the United Kingdom's terms of membership of the European Community.*
>
> *DO YOU THINK THAT THE UNITED KINGDOM SHOULD STAY IN THE EUROPEAN COMMUNITY (THE COMMON MARKET)?*
>
> YES . . . . . .
>
> NO . . . . . .

Provision will be made for bilingual ballot papers to be used in Wales.

Voting Arrangements and the Count

The electorate for the referendum will include people on the current parliamentary electoral register which came into force in February 1975 (18 years is the minimum voting age), together with peers (who are registered for local government, but not for parliamentary, elections). The postal and proxy voting facilities allowed in a general election are available for the referendum.[1]

Special arrangements have been made for servicemen and their wives (or servicewomen and their husbands) to vote (some 400,000 members of the armed forces and their husbands and wives are entitled to be on the current electoral register, but about 300,000 have not in fact registered).

Responsibility for polling arrangements lies in England and Wales with the returning officers for district council and Greater London Council elections, in Scotland with the returning officers for regional and islands council elections, and in Northern Ireland with the Chief Electoral Officer. A Chief Counting Officer has been appointed to take overall responsibility for the counting of votes. Members of Parliament will be able to attend both the preliminary verification of ballot papers for areas in which their constituencies lie and the counting of votes of such areas. Representatives of the opposing views on Community membership are to observe the verification stage and the count.

Polling on 5 June will take place in the normal way. From 7 am to 10 pm voters will go to their local polling stations, which will be those used for general elections. The counting of the votes will be carried out locally: in Greater London (where the service vote from overseas will be included), each of the counties in England and Wales, the Isles of Scilly, each region and islands area in Scotland, and Northern Ireland – some 68 separate counts in all.[1] The declaration of the results of the voting will be made in each of these areas from about mid-day on 6 June onwards. The outcome of the referendum should be clear by that evening, unless the margin is very narrow, and the final United Kingdom result should be available by the evening of 7 June.

Provision of Information

For the period before the poll, a Government information unit has been set up in the Cabinet Office to provide factual information about the Community and terms of membership. It deals with letters and telephone calls from individuals, organisations, and the press, radio and television.

The outcome of the renegotiations of the terms of British membership of the Community and the Government's recommendation in favour of remaining within the Community have been fully explained to the country in a White Paper, *Membership of the European Community – Report on Renegotiation* (Cmnd 6003), and debated in Parliament (see pp 136-44). A shortened version of the White Paper, containing a less technical account of the renegotiated terms and the Government's recommendation, has been published, and a copy is to be delivered free of charge to every household.

Every home is also to receive at public expense two documents, each containing a statement of about 1,500 words, in one the case for and in the other the case against continued Community membership. The documents have been prepared by representatives of the main 'campaigning organisations' representing the two points of view – *Britain in Europe* (which favours continued membership) and the *National Referendum Campaign* (which seeks withdrawal from the Community).

[1] During the Referendum Bill's second reading in the House of Commons on 10 April (*Hansard*, cols 1418-1548), the Lord President of the Council and Leader of the House, Mr Edward Short, announced that, after very careful consideration, a general right to vote could not be extended to British people working overseas (such people are not normally able to vote in British elections). Such an extension of the franchise would have involved major issues of principle and a serious risk of errors.

[1] The Referendum Bill originally provided for a central count in London and a central national declaration of the result. After discussion in the House of Commons, an amendment was passed on a free vote which had the effect of requiring a declaration of the outcome by counties and regions. It was then decided that the counting should also be local.

To help the two organisations to put their arguments to the public in other ways, the Referendum Act provides for grants of up to £125,000 to be made to each towards the expenses incurred in the campaign. Conditions attached to the grants include a requirement to disclose all income and expenditure for the period of the campaign.

Information about the Community and the holding of the referendum is being provided by the press, radio and television, as well as by campaigning organisations. The Government is confident that the broadcasting authorities will exercise editorial discretion to ensure a fair balance between opposing views in news and features programmes. In addition to coverage of the issues by the broadcasting authorities, each of the two main campaigning bodies has been allocated a series of national radio and televison programmes to explain its views. Paid political advertising is not permitted on British radio or television.

Parliamentary Broadcasts

The arrangements for the experimental period of broadcasting House of Commons proceedings (see p 92) are set out in *The Experiment in Public Sound Broadcasting,* the second report from the Select Committee on House of Commons (Services) for the session 1974-75, which was published in April (HMSO, 18p, ISBN 0 10 023255 8).

Contents of Programmes

The committee says there is no question of a continuous broadcast of the proceedings of the House of Commons. Instead, there will be edited programmes consisting of recorded extracts with or without commentaries. This would not, however, exclude live coverage of particular debates. The British Broadcasting Corporation (BBC) has proposed a daily thirty-minute version of 'Today in Parliament'[1] throughout its network and a thirty-minute up-dated version the following morning of 'Yesterday in Parliament' as part of its programme during the experiment; other parts would include recorded extracts in various news summaries and bulletins and somewhat fuller treatment for more specific programmes. There would also be edited and live programmes on the regional networks and on local radio stations with particular attention being paid to the inclusion of topical matter in which extracts from speeches by Members of Parliament associated with the region or locality would feature. The Independent Broadcasting Authority (IBA) said that its broadcasts would be through the Independent Radio News division of the London Broadcasting Company (one of the local radio stations) and that, for the period of the experiment, the IBA would itself be concerned to ensure impartiality of treatment. There would be editorial freedom for local radio companies to select the material most relevant to their own parts of the country subject to their clear responsibility to maintain a proper balance, accuracy and impartiality. There would also be an obligation on the part of the IBA to ensure that for a period beginning at least ten minutes prior to a scheduled parliamentary broadcast until at least ten minutes following it no commercial advertising would take place.

The committee says that due to limitations of time and expenditure the broadcasting authorities thought it would be impossible to broadcast the proceedings of House of Commons Standing Committees. It recommends that a full technical investigation of this aspect of parliamentary broadcasting with a view to future requirements should be carried out by the two authorities during the course of the experiment.

The committee accepts that editorial responsibility for the programmes broadcast must rest with the BBC and the IBA.

There will be one recorded soundtrack, a master tape, of the proceedings of the House of Commons which would be taken by the BBC from the existing sound relay system and made available without reservation to the IBA under arrangements already agreed between the two authorities. The master tape will be the source of all broadcasts whether live or edited. The committee recommends that the master tape should be retained by the House of Commons and be available for whatever future use the House may think fit, and that copyright in it should belong to the House.

The Timing of the Experiment

The report states that the experiment will take place immediately after the next parliamentary recess (that is, from 9 June) for four weeks. It recommends that a report be submitted by the select committee following the conclusion of the experiment and that meanwhile the committee should exercise general powers of supervision on behalf of the House of Commons.

Community Land Bill

The Community Land Bill, containing measures to bring development land under public ownership, received its second reading in the House of Commons on 29 April (*Hansard*, cols 236-382). The Bill, relating to England, Wales and Scotland, gives effect to proposals contained in the White Paper, *Land* (Cmnd 5730), published on 12 September 1974 (see p 369, 1974), which also outlined plans for the acquisition of unoccupied office buildings. The proposals in the White Paper for a development land tax as part of the transitional arrangements for the community land scheme will be introduced by separate legislation (see p 103).

Introducing the Bill, Mr John Silkin, Minister for Planning and Local Government, said that its aim was to take the ownership of development land and give it to the community as a tool to achieve positive planning. Ownership would enable the

[1] 'Today in Parliament' was introduced by BBC radio in 1945 as a daily factual and impartial account of proceedings in Parliament. It is normally a fifteen-minute programme.

community to take the initiative in planning and to decide as a matter of positive policy where development was to take place. He went on to say that if there were to be a system of planning which had as its basis the needs of the community, the community must buy the land at its real value and not at the value created by the granting of planning permission.

Powers of Acquisition and Disposal

'Development land' is defined in Part I of the Bill as land which, in the opinion of the authority concerned, is suitable for relevant development. This covers all development as laid down in planning legislation, with the exception of the construction of a house for owner-occupation on land which was owned on 12 September 1974. The Secretaries of State (for the Environment, Scotland or Wales) may make regulations prescribing other exceptions.

The main provisions dealing with the acquisition and disposal of development land by public authorities are contained in Part III of the Bill.

During the transitional period, public authorities will, in exercising their functions, have a general duty to consider the desirability of bringing development land into public ownership. They will be empowered to acquire development land (by means of a modified procedure for compulsory purchase orders) and will have a duty to develop such land or make it available for development. Provision is made for the joint preparation by all authorities in each county area of land acquisition and management plans by 31 December 1975 (later in Scotland).

As part of the permanent scheme, the appropriate Secretary of State (for the Environment, Scotland or Wales) will be able to impose, by Order, a full duty on the authorities within a specified area to bring into public ownership all land which is needed for relevant development up to a maximum of ten years ahead. Provision is made for the suspension of planning permission for relevant development until an authority has (within specified time limits) either acquired the land or decided not to do so. The Secretaries of State will also be empowered to make Orders under which planning permissions, for the classes of development specified in the Order, are suspended unless the land has passed through public ownership. The procedures will not apply to development on the land of statutory undertakers (for instance, water, gas and electricity authorities).

Authorities will be enabled to obtain information about disposals of land by declaring 'disposal notification areas'. Anyone intending to dispose of land in such an area will be required to inform the authority, which will then be required to say whether or not it proposes to buy the land. The declaration of such areas will be subject to the control of the Secretaries of State.

All land compensation will eventually be based on current use value and will apply not only to compulsory purchases but also to other statutory compensation for interference with land. It will not be introduced until all public authorities are exercising their responsibilities under the permanent scheme. To consider cases of financial hardship arising from the change in the compensation code, the Secretaries of State may set up tribunals with power to award additional payments up to a maximum of £25,000 for any one claim.

Operation of the Scheme

The authorities that are to exercise functions under the scheme are defined in Part I of the Bill as all local authorities in England and Scotland, National Park Planning Boards, new town development corporations, the Land Authority for Wales (see below) and joint boards (which may be set up by the Secretaries of State after consultation with the authorities concerned).

The introduction of the scheme is to be phased and brought into operation by Orders made by the Secretaries of State. From the 'first appointed day' – that is, the first day when the transitional arrangements will apply – the authorities concerned will be given the new powers and general duties of acquisition. As soon as individual authorities are able to take on the task (on the 'relevant date') the full duty to acquire all land for relevant development comes into operation in the area to which the Order applies. On the 'commencement date', an Order will be made prohibiting all significant development other than on land which is in, or has passed through, public ownership. On the 'second appointed day' (which must be affirmed by Parliament and cannot be until all the authorities are exercising their duties) the basis of compensation will be changed to current use value.

Wales

Part II of the Bill deals with the setting up and constitution of the Land Authority for Wales, which will exercise the functions conferred on public authorities in England and Scotland and may use local authorities as its agents. It will assume an initial debt not exceeding £750,000 based on the amount to be spent by the Secretary of State for Wales on preparatory work for the Land Authority. It will be able to borrow, by overdraft or otherwise, in order to carry out its work, but its outstanding debt will be limited to £40 million (which may later be raised to £60 million). The Treasury will be able to guarantee the repayment of the Land Authority's borrowing. A statement of accounts must be made annually, and an annual report laid before Parliament.

Empty Office Blocks

The Secretaries of State will be empowered, under Part IV of the Bill, to acquire (compulsorily if necessary) buildings containing more than 5,000 square metres of office accommodation if they have been unoccupied for at least two years since their completion. Compensation will be related to the value of a building at the time of its completion, provided this is less than the value at the time of acquisition. Additional land may also be acquired if it is necessary to facilitate the disposal of buildings acquired in this way.

Miscellaneous

A number of additional measures are contained in in Part V of the Bill.

The Secretaries of State's powers to acquire land necessary for the public service will be extended to cover ancillary land which may be needed for planning reasons or to facilitate the development of land already held.

Grants will be made available to authorities when they buy or lease land belonging to the Crown.

The compulsory purchase of land by one authority, Government department, or statutory undertaker from another will no longer be subject to special parliamentary procedure.

Public authority land transactions will be regulated by a number of provisions, and the Secretaries of State may require authorities to keep records of their land dealings.

Part VI of the Bill will provide reserve powers for the Secretaries of State to transfer the functions of any authority (other than the Land Authority for Wales or a new town authority) to themselves or to another authority.

Financial Implications

When the scheme is in full operation, it is expected that compensation paid on the basis of current use value will lead to a reduction of £350 million a year (at 1975 prices) in the cost of land purchase for public authorities' use. It is estimated that the direct cost of acquisition by local authorities in England and Scotland of land for private development will amount to between £300 million and £400 million a year (at 1975 prices). Administration costs for the scheme at that stage are estimated at £50 million a year. The estimated capital value of disposals will be between £800 million and £900 million annually. Similarly, annual expenditure by the Land Authority for Wales is estimated at £12 million; administration costs at £4 million; and the capital value of disposals at about £50 million to £55 million. Surpluses arising from the acquisition and disposal of land for private development will be shared between local and central government.

Central government expenditure will principally be on administration, and is expected to be about £8 million a year when the scheme is in full operation.

When authorities are purchasing all development land at current use value, development gains will no longer accrue to private interests. On the basis of present arrangements for the taxation of development gains, the tax to be forgone for this reason is estimated to be about £150 million to £200 million a year.

It is estimated that when the scheme is in full operation in all areas, total staff increases will be about 12,000 in local authorities in England and Scotland, and 750 in Wales. The increase in central government staff is estimated at about 1,400.

Opposition Views

Mr Hugh Rossi, the Conservative Party's spokesman on housing and land, said that the Bill would give the state a complete monopoly in the basic wealth of the country. He said that his party had no quarrel with the proposition that there should be a return to the community of wealth created by the community, but that this could best be achieved through the taxation system. One of the greatest impediments to land development, he continued, was the slowness of local authorities to grant planning permission. Local authorities and developers should be free to negotiate terms for the granting of planning permission which would enable the developers to provide roads, schools, community and social centres. The cost of this could be set off against tax on development value. The local authorities would then be more ready to grant planning permission and the community would see developers making a tangible contribution towards its well-being.

Mr Stephen Ross, the Liberal Party's spokesman on local government and planning, said that the Bill was unlikely to solve the long-standing problem of the development of land in a manner which would give a fair return to the community while avoiding vast public expense and the growth of bureaucracy. A land development tax coupled with a lower rate of capital gains tax would, he believed, restore confidence to builders while cutting out the speculator.

EXTERNAL AFFAIRS AND DEFENCE

Commonwealth Heads of Government Meeting

The twentieth meeting of Commonwealth Heads of Government was held at Kingston, Jamaica, from 29 April to 6 May. Of the 33 countries represented, Grenada has become a full member of the Commonwealth since the last Heads of Government meeting in August, 1973 (see pp 351-4, 1973). Britain was represented at the Kingston meeting by the Prime Minister, Mr Harold Wilson, and the Foreign and Commonwealth Secretary, Mr James Callaghan.

The Conference elected Mr Shridath Ramphal, Foreign Minister of Guyana, as Commonwealth Secretary-General, in succession to Mr Arnold Smith, who is due to retire in June. Mr Smith, the first Secretary-General to be appointed, has held the office since 1965. (On 29 April, it was announced that he was to become a Companion of Honour.)

One of the main subjects of discussion at the Conference was the Rhodesian problem, and in this connection the Heads of Government, at an informal meeting on 30 April, heard a statement from Bishop Muzorewa, President of the African National Council. The Heads of Government reaffirmed their determination to support the people of 'Zimbabwe' (Rhodesia) in their struggle for independence based on majority rule, and recognised the 'inevitability' of intensified armed struggle, should independence by peaceful means be blocked by the illegal régime. The Conference also recognised the radical change in the balance of forces in the area caused by the imminent independence of Angola and Mozambique. It was unanimously agreed to provide financial aid to assist the new government of Mozambique – due to become independent on 25 June – in applying sanctions against Rhodesia: the Commonwealth Governments are to take the initiative at the United Nations to establish a programme of assistance for Mozambique. The Conference also called on South Africa to apply strict sanctions against Rhodesia and withdraw her armed forces.

In their discussions on economic issues, the Heads of Government concentrated on the disparity of wealth between the rich and poor countries. On 1 May, the British Prime Minister made proposals for a General Agreement on Commodities: Mr Wilson's speech is summarised on pp 189–91. In response, the Prime Minister of Guyana, Mr Forbes Burnham, on behalf of the Caribbean members, spoke of 'the need to take immediate steps towards the creation of a rational and equitable international economic order', and proposed the establishment of a small Commonwealth Group of Experts 'to identify measures of a practical nature . . . amenable to effective implementation'. The Conference accepted this proposal and agreed that the Group of Experts should draw up 'a comprehensive and inter-related programme of practical measures directed at closing the gap between the rich and the poor countries' and should consider the British and Caribbean proposals. Mr Alister McIntyre, Secretary-General of the Caribbean Community, was appointed as the Group's chairman; its members, of whom there will be not more than ten, will be appointed by the Commonwealth Secretary-General, after consultation with the member Governments, to reflect the views and positions of the different regions of the Commonwealth. The Group is to present an interim report in time for discussion at the next meeting of Commonwealth Ministers, so that its recommendations may be considered before the Seventh Special Session of the United Nations General Assembly meets in September.

Among other subjects discussed were the situation in the Middle East, the position in Indo-China (see pp 191–3) and the Lomé Convention (see pp 51-2). The Conference agreed to establish a Commonwealth Committee on Cyprus; expressed concern at the continued illegal occupation of Namibia by South Africa; agreed to establish a Food Production and Rural Development Division within the Commonwealth Secretariat (see pp 145-7), and to extend beyond 1976 the Commonwealth Youth Programme. The Heads of Government issued a statement on Britain's membership of the European Community, printed below. It was agreed that the next Heads of Government Meeting, in 1977, should be held in London to coincide with the celebrations of the Silver Jubilee of the Queen's accession as Head of the Commonwealth.

On 7 May, Mr Wilson flew from Jamaica to Washington for talks with President Ford.

FINAL COMMUNIQUÉ

The full text of the communiqué issued at the end of the meeting is as follows:

Commonwealth Heads of Government met in Kingston from 29 April to 6 May. All Commonwealth countries were represented, twenty-eight by their Presidents or Prime Ministers. The Prime Minister of Jamaica was in the Chair.

This was the first Heads of Government meeting to be held in the Caribbean. Heads of Government expressed their gratitude to Commonwealth Caribbean Governments and in particular to the Prime Minister of Jamaica for the warm hospitality provided by his Government.

Heads of Government extended a cordial greeting to the Prime Minister of Grenada whose country had become a member of the Commonwealth since the previous meeting. They affirmed that a request from Papua New Guinea for Commonwealth membership on the attainment of its independence would be welcomed.

Heads of Government paid tribute to the memory of the late Norman Kirk, Prime Minister of New Zealand, and recalled with respect and affection his deep and practical concern for humanity and his outstanding personal contribution to the development of the modern Commonwealth.

Heads of Government reaffirmed the value they attach to these meetings and expressed satisfaction with the constructive approach and mutual confidence of their deliberations. They noted with approval the increasing use being made of Commonwealth machinery to further the principles of the Commonwealth Declaration and to promote consultation, co-operation and collaborative action across and within regions. Such consultation formed an important part of the contribution Commonwealth countries make to the development of a new pattern of international relations which took account of the significant shifts in political and economic power. Heads of Government urged that the Commonwealth initiatives already taken to this end should be intensified so as to promote peace and security, economic and social justice and harmony among races.

The reduction of continuing unacceptable economic disparities, the shifting balance of political and economic power and colonialism and racialism in Southern Africa were the main preoccupations of Heads of Government in their discussions.

Heads of Government recalled the statement in the declaration of Commonwealth principles: 'We believe that the wide disparities in wealth now existing between different sections of mankind are too great to be tolerated' and pledged themselves to do all in their power to promote a new and equitable economic order.

World and Commonwealth Trends

Heads of Government reviewed political developments in the world which had occurred since they last met, in the light of the varied interests and concerns of member countries. They acknowledged the contribution of the spirit of detente to a measure of relaxation in international tensions and called for its universal application. They noted, however, that there were some crisis areas in the world where peace and stability were not yet secured and which were still subject to super Power rivalry and interference. They stressed that the maintenance of peace and stability could not be left to arrangements between the super Powers but was the responsibility of the entire international community. Heads of Government laid particular emphasis on the opportunities for the Commonwealth to make a constructive contribution to the problems of Southern Africa and underlined the special responsibility of Commonwealth member countries to work together in the search for a resolution of the situation in Rhodesia.

Disarmament

Heads of Government expressed their concern at the continued testing and proliferation of nuclear weapons and reaffirmed the need for urgent measures to facilitate a comprehensive ban on all nuclear weapons tests as one essential step towards general and complete disarmament under effective international control.

Cyprus

Heads of Government, deeply concerned over the continuation of the Cyprus crisis, expressed their solidarity with the Government of the Republic of Cyprus and their determination to help in the achievement of a political settlement based on the independence, sovereignty, territorial integrity and non-alignment of the Republic of Cyprus. They reaffirmed their support for General Assembly resolution 3212 (XXIX) and Security Council's resolutions 365 (1974) and 367 (1975) and in particular they called for the speedy withdrawal of all foreign armed forces from the Republic of Cyprus, for the taking of urgent measures for the return of all the refugees to their homes in safety and for continued efforts through the intercommunal talks to reach freely a mutually acceptable political settlement. They noted the spirit of good will with which the Government of Cyprus approached the resumption of the intercommunal talks under the personal auspices and direction of the Secretary-General of the United Nations and expressed the hope that these would be fruitful.

Heads of Government, as a concrete expression of their interest and concern for a fellow Commonwealth country, agreed to establish a committee consisting of representatives of the Governments of Australia, Britain, Guyana, India, Kenya, Malta, Nigeria and Zambia to meet with the Commonwealth Secretary-General as early as possible, to follow developments concerning Cyprus, make recommendations and assist in every possible way towards the early implementation of the above-mentioned United Nations resolutions.

Middle East

Heads of Government expressed concern at the renewed danger of conflict in the Middle East. They re-emphasized the need for the establishment of a durable peace in the area as a matter of urgency and urged all parties to renew their efforts to achieve this objective. To this end Heads of Government affirmed their support for the relevant UN resolutions on the Middle East and their belief that to ensure success it was necessary that the authentic and legitimate representatives of the Palestinian people participate in the forthcoming peace negotiations in Geneva.

Indian Ocean

Noting that the Indian Ocean was a region of special interest to a significant number of Commonwealth countries, Heads of Government re-affirmed the desirability of ensuring that it remained an area of

peace and stability. Serious concern was expressed about the increase in naval activity in the Indian Ocean area on the part of the great Powers and the establishment and expansion there of military installations. Heads of Government called upon all nations and particularly the great Powers most directly concerned to work towards the implementation of the resolutions of the United Nations declaring the Indian Ocean a zone of peace.

South Asia

The Heads of Government noted that positive steps had been taken in the process of normalisation among the countries of the South Asian subcontinent. However, they expressed their grave concern at the impediment to normalisation of relations posed by certain outstanding problems resulting in the aggravation of economic hardship and the retardation of the process of national reconstruction in Bangladesh. These problems include the repatriation of nationals and the sharing of assets. Heads of Government expressed the hope that the problems will be resolved expeditiously and satisfactorily through discussions among the countries concerned in the larger interest of peace and stability in the region.

Indo-China

Heads of Government welcomed the end of the prolonged war in Indo-China, urged countries in a position to do so to contribute to international assistance for the urgent tasks of rehabilitation and reconstruction and looked forward to the new Governments of the region playing their full part in the community of nations.

The Caribbean

Heads of Government strongly reaffirmed the right of people in each country to choose the form of Government which they considered best able to achieve their social, economic and political goals.

Belize

Heads of Government offered their full support for the aspirations of the people of Belize for early independence. Noting that talks had recently been resumed with Guatemala, and bearing in mind the special responsibilities of Britain as the administering Power, Heads of Government urged the parties to take all necessary action for a speedy solution of the problem, which could be endorsed by the international community through the United Nations, in accordance with the principle of the self-determination of peoples as enshrined in the Charter of the United Nations.

Cuba

Heads of Government expressed the hope that all countries would now normalise their relations with Cuba and respect the sovereignty and territorial integrity of the State and the right of its people to the government of their choice.

Southern Africa

Heads of Government had a thorough and constructive discussion of the changing situation in Southern Africa and its implications for the Commonwealth. They considered that the imminent independence of Mozambique and Angola had radically altered the balance of forces in the area and tributes were paid to the liberation movements who had contributed so decisively to this result.

Heads of Government re-emphasized that the objective for Rhodesia was independence on the basis of majority rule. They welcomed the initiatives taken by the Heads of Government of Botswana, Tanzania and Zambia and the President of Frelimo to achieve this objective by peaceful means if possible. The Heads of Government, meeting informally, heard a statement by Bishop Muzorewa, President of the African National Council. The meeting noted that the Nationalist Movement now united in the African National Council was seeking with sincerity and determination the basis for an agreed settlement.

Heads of Government reaffirmed their total support for the struggle of the people of Zimbabwe for independence on the basis of majority rule and pledged to concert their efforts for the speedy attainment of this objective. They took note of the determination of the African freedom fighters, supported by African and other states, to achieve their objective by peaceful means if possible and recognised the inevitability of intensified armed struggle should peaceful avenues be blocked by the racist and illegal regime. The moral responsibilities in those circumstances would lie with the minority government and those who had chosen to sustain it.

The meeting noted that South Africa continues to support the rebel government by affording it the military and economic assistance on which its survival depends and reaffirmed their view that South Africa should fulfil its international obligations and strictly apply the United Nations mandatory sanctions and withdraw its forces from Rhodesia.

It was agreed that the prospects for a settlement would be greatly enhanced by the strict enforcement of sanctions by the international community as a whole. Heads of Government undertook to bring this consideration to the attention of governments outside the Commonwealth in renewed representations where a breach of sanctions was known to have occurred. They also agreed to take action at the international level for the reinforcement and extension of sanctions.

In considering the recommendations of the Commonwealth sanctions committee, and authorising the committee to continue its work, Heads of Government emphasised the importance of taking immediate practical steps to assist an independent Mozambique in applying sanctions since the great bulk of Rhodesia's exports and imports is dependent on Mozambique's transit facilities. They were unanimously in favour of providing immediate financial assistance to the new Government of Mozambique. They also endorsed the recommendation that an initiative should be taken by Commonwealth Governments at the United Nations to establish a programme of assistance for Mozambique in terms of articles 49 and 50 of the Charter.

Heads of Government were deeply concerned that South Africa continues to occupy Namibia illegally in total disregard of the resolutions of the General Assembly and the Security Council and the Advisory Opinion of the International Court of Justice of June 1971, and in defiance of world opinion.

Reaffirming that the fragmentation of Namibia was unacceptable, they recalled the obligation of the international community to maintain the territorial integrity of the territory and the right of its people to self-determination and independence.

The meeting looked forward to the time when the Government and people of Namibia might be welcomed into the Commonwealth, if that were their wish.

Heads of Government reaffirmed their total and unequivocal condemnation of apartheid *and all forms of racialism. They welcomed the British Government's decision to comply strictly with the United Nations embargo on the sale of arms to South Africa and to terminate the Simonstown Agreement. They condemned the violation of the embargo by those countries which continue to supply arms to South Africa or enable them to be manufactured in that country. Noting the alarming increase in South Africa's defence expenditure, Heads of Government expressed their concern that this military build-up was bound to increase tension in an area already plagued by dangerous conflict. Heads of Government also agreed to maintain and intensify effective pressure on South Africa in the struggle for the elimination of* apartheid.

Heads of Government reiterated their support for humanitarian assistance to the indigenous people of Southern Africa in their efforts to achieve self-determination and independence. Several Heads of Government described their contributions to various bilateral and multilateral programmes and indicated their intention to increase such assistance. The meeting also noted with approval the development of the special Commonwealth programme for assisting the education of Rhodesian Africans and indicated their desire to expand this programme to meet new and urgent needs. In particular, Heads of Government recognised the importance of extending the variety of education and training opportunities available to the people of Zimbabwe, with special emphasis on technical and industrial training, 'in service' experience and administrative training. It was also agreed that Commonwealth multilateral assistance should be made available to help in the developmental and training needs of the people of Namibia.

Economic Matters

Commonwealth Heads of Government recognised the need to take immediate steps towards the creation of a rational and equitable new international economic order. They reaffirmed the statement included in the Commonwealth declaration adopted in Singapore in 1971 that 'the wide disparities of wealth now existing between different sections of mankind are too great to be tolerated . . . our aim is their progressive removal', and acknowledged the complexity, range and interrelated nature of the issues involved. They agreed that a small Group of Experts should be invited to draw up for consideration by Commonwealth Governments, in the context of the current international dialogue, a comprehensive and interrelated programme of practical measures directed at closing the gap between the rich and the poor countries. These measures would be designed to promote development and to increase the transfer of real resources to developing countries inter alia *in the areas of production, distribution and exchange of primary and secondary products as well as services. Heads of Government recognised the importance in this context of co-operating to achieve an expanding world economy and world trade.*

The Group of Experts should be selected from the Commonwealth on the basis of their personal capacities and their expert knowledge of contemporary problems of international economic development, and should be assembled in a way which would enable the perspectives of different regions of the Commonwealth and different national development strategies to be brought to bear on the problems concerned.

The Group of Experts should address itself to the issues and proposals elaborated in:

1 The declaration and the programme of action on the establishment of a new international economic order as adopted by the United Nations General Assembly; and

2 The relevant principles of the Commonwealth declaration adopted in Singapore in 1971; and

3 The concepts and proposals advanced during the discussions of the international economic situation at the Kingston meeting of Heads of Government including the presentations by the Government of Guyana on behalf of the Caribbean and the Government of Britain.

In drawing up a programme of practical measures the Group should pay particular attention to:

1 Measures to transfer real resources from developed to developing countries through international co-operation in the field of international trade in primary commodities with particular reference to the integrated commodities programme recommended by the secretary-general of UNCTAD, current proposals of buffer stocks, for indexation, and other relevant proposals, including the proposal for a general agreement on commodities.

2 Measures which the international community can introduce for assisting developing countries –

(a) To increase food production;

(b) To promote rural development;

(c) To promote economic co-operation among themselves at the sub-regional, intra-regional and inter-regional levels; and

(d) A review of existing organisations for industrial co-operation and development;

(e) To obtain greater control over, and benefits from, such activities as shipping, insurance, banking and other parts of the infrastructure for international trade and development.

3 Programmes for industrial development involving new and expanded forms of industrial co-operation, the enlargement of employment opportunities in developing countries, and more favourable access to the markets of developed countries;

4 A review of existing organisations for industrial co-operation and development;

5 Mechanisms for increasing the flow of long-term development funds, the transfer of technology and the transfer of real resources to developing countries; and

6 Reform and where necessary the restructuring of the international institutions concerned with the management of international trade and finance, and whether means could be found to increase the effective share of the developing countries in the decision-making process of the major international financial institutions.

In all of the above matters due regard would be paid to the special needs of the least developed, land-locked, the most seriously affected, and island developing states with limited natural resources.

In drawing up its recommendations the Group of Experts should consider the feasibility of utilising relevant concepts and mechanisms embodied in recent economic co-operation agreements between certain developed and developing countries.

The Group of Experts should consist of not more than ten persons.

The members of the Group should be appointed by the Secretary-General after consultation with member-governments.

The Group should aim at submitting to governments an interim report on the results of its work indicating measures which are amenable to early and effective implementation in time to permit discussion of this report at the next meeting of Commonwealth Ministers and to enable governments to take this report into account before the Seventh Special Session of the General Assembly.

It is expected that the Group will endeavour to hold its first meeting by the end of May or early in June.

It would be desirable that the Secretary-General-Elect should be associated at as early a stage as possible with the work of the Group.

Heads of Government appointed Mr. Alister McIntyre, Secretary-General of the Caribbean community, chairman of the Group of Experts.

Lomé Convention

Heads of Government welcomed the conclusion of the Lomé Convention drawn up by the European Economic Community and 46 countries of Africa, the Caribbean and the Pacific. They welcomed the increased co-operation within the Convention between Commonwealth and non-Commonwealth countries in these areas. They expressed the hope that the principles underlying the Lomé Convention could usefully contribute to the further development of relations between the EEC and other industrialised countries, on the one hand, and developing countries, including the Asian and other Commonwealth countries, on the other.

Heads of Government welcomed the valuable support which the Secretariat is giving to Commonwealth countries in the multilateral trade negotiations

Food Production and Rural Development

Heads of Government discussed the report of the Commonwealth Ministerial Meeting on Food Production and Rural Development, held in London in March, 1975. They welcomed the opportunity it had provided to consider in a Commonwealth setting the problems of the three-quarters of the population of Commonwealth developing countries who live in rural areas. Heads of Government endorsed the view that the problems of rural development and food production should be attacked in an integrated manner and should receive high priority from individual governments and aid agencies. They stressed the need for aid-providing agencies to adapt their practices and programmes to meet the special needs of food production and rural development, and endorsed the proposal to establish a Food Production and Rural Development Division within the Secretariat. The new division would enhance the effectiveness of the Secretariat's already significant contribution to this sector and should be essentially action-oriented.

Heads of Government emphasised the setback to agricultural production which has resulted from scarcity and high prices of fertiliser, and welcomed efforts, in the Commonwealth and elsewhere, to secure adequate supplies of fertiliser at reduced costs. They also called for similar efforts with respect to farm machinery, feedstuffs and other agricultural inputs.

Drought and Other Natural Disasters

Heads of Government recognised the value of the Commonwealth as a forum in which to consult and concert broad strategies for action in the Sahelian zone of Africa and in other natural disaster areas and endorsed the recommendation of the Ministerial Meeting on Food Production and Rural Development that Commonwealth action should supplement action taken by world bodies.

Industrial Development Co-operation

In underlining the importance of increasing agricultural production, Heads of Government stressed the parallel and related need to accelerate the development of industry and endorsed the expansion of industrial co-operation, particularly between Commonwealth countries. In this context, they stressed the need for measures to promote the processing of primary commodities in their places of origin and the removal of barriers to trade in processed primary commodities and other manufactured goods.

Heads of Government stressed their concern to ensure that the activities of multinational corporations conform with the policies of host governments and their goals for an equitable redistribution of wealth. They noted the work done on multinational corporations by the Commonwealth Secretariat and by bodies in the UN system. They agreed on the need for countries to build up their capabilities to deal with multinational corporations.

Development Assistance

Heads of Government affirmed the need for all countries, with the capacity to do so, to maintain and, wherever possible, increase the flow of development assistance to developing countries, especially to the developing countries most seriously affected by recent economic developments. They should also promote the rapid industrialisation of developing countries.

Commonwealth Fund for Technical Co-operation

Heads of Government reaffirmed their conviction that mutual help and shared responsibility were essential elements in Commonwealth co-operation. They expressed satisfaction at the expansion of the

Commonwealth Fund for Technical Co-operation in the four years since its establishment, noted with approval its flexibility and its capacity to respond quickly to the requests of member countries and commented favourably on its successful management.

Recognising the need for the Fund's resources to keep pace with the expanding requirements of Commonwealth Governments, Heads of Government noted with appreciation the steady growth in support for the Fund and welcomed the substantially increased pledges made by developed and developing member countries. They noted the intention expressed by a number of Governments to increase their contribution and hoped that further increases would be forthcoming.

Commonwealth Investment Bank

Heads of Government noted the studies organised by the Secretary-General, at the request of the 1974 Meeting of Commonwealth Finance Ministers, on the financial feasibility and the need for the services of a Commonwealth Investment Bank along the lines proposed by a Commonwealth Expert Group. They concluded that a number of issues still required discussion before the proposal could be put to governments for a final decision. They requested the Secretary-General to convene a committee of Commonwealth officials to prepare a detailed and specific proposal, addressing itself to the unresolved issues which must be faced if such an institution is to be set up. This committee should report to the next meeting of Commonwealth Finance Ministers.

Commonwealth Scientific Committee

Noting the crucial importance of science and technology in promoting social and economic development, Heads of Government welcomed the proposal of the Commonwealth Scientific Committee for an enlarged programme of scientific and technological co-operation among Commonwealth members and for the closer integration of its activities within the Secretariat. They expressed the view that attention should be given to environmentel aspects in the enlarged programme.

Commonwealth Youth Programme

Recognising that the populations of all Commonwealth countries included a significant and increasing number of young people whose talents and potential ought to be fully utilised in meeting the developmental challenges of their communities and nations, Heads of Government noted with satisfaction the progress which had been made in the short time since the establishment of the Commonwealth Youth Programme and agreed that the programme should be extended beyond 1976.

Brain Drain

Heads of Government acknowledged the concern expressed over the problems associated with the brain drain and agreed that there was an urgent need for practical measures to reduce these difficulties being experienced. The specific proposal for the establishment of a volunteer corps was considered and the Secretary-General was asked to undertake a detailed study for the consideration of Commonwealth Governments.

Women in Public Affairs

While recognising that there was increasing participation by women in the national affairs of many Commonwealth countries, Heads of Government emphasised the need to focus greater attention on the rights of women to ensure the availability of opportunities for them to participate on a basis of full equality in the political, economic, social and cultural activities of their countries. As far as possible existing and future Commonwealth programmes should take into account the needs and aspirations of women and genuine efforts should be made to provide for their full participation in national and international affairs.

Commonwealth Foundation

Heads of Government expressed appreciation of the achievements and progress of the Commonwealth Foundation, which they regarded as having an important role to play in strengthening professional co-operation throughout the Commonwealth, and noted the increased budgetary requirements for 1976-79.

Report of the Secretary-General

Heads of Government took note of the Fifth Report of the Secretary-General.

Election of Secretary-General

Heads of Government paid warm tribute to the Secretary-General, Mr Arnold Smith, CH, for his distinguished service to the Commonwealth over the past ten years and elected Mr. Shridath Ramphal, Foreign Minister of Guyana, to succeed him.

Next Meeting

Heads of Government accepted with pleasure an invitation by the United Kingdom Government to hold their next meeting in London in mid-1977 at the time of the celebrations of the Silver Jubilee of HM the Queen's accession as Head of the Commonwealth.

EUROPEAN COMMUNITY

The following is the text of a Commonwealth Heads of Government statement on the European Community, issued in Kingston on 7 May, 1975:

While recognising fully that the issue of Britain's continued membership of the European Economic Community is a matter for determination by the British people, all Commonwealth Heads of Government placed on record their firm opinion that Commonwealth interests were in no way prejudiced by such membership.

Many heads of Government emphasised that it was of positive advantage to their countries that Britain should remain a member of the EEC. The strong view was also expressed that British membership was of value in encouraging the Community to be more outward looking towards the rest of the world.

COMMODITIES AGREEMENT: PRIME MINISTER'S PROPOSALS

In a speech on 1 May to the Commonwealth Heads of Government meeting at Kingston, the British Prime Minister, Mr Harold Wilson, proposed a

General Agreement on Commodities, which he described as 'long overdue', to balance the General Agreement on Tariffs and Trade.[1] Mr Wilson stated that his proposal was based on the principle that the relationship between the rich and poor countries of the world was wrong and must be remedied: 'the wealth of the world must be redistributed in favour of the poverty stricken and the starving. This means a new deal in world economies, in trade between nations and in the terms of that trade'.

Mr. Wilson analysed the causes of the present instability in prices of food and raw materials. Variations in demand and supply, combined with the rise in the price of oil, had produced a situation which demonstrated the vested interest of all in a one-world system for commodity trade. 'We shall make no progress until we recognise that large and sudden variations in price, not to mention uncertainty over supply and markets, are disadvantageous to both developed and developing countries alike,' he stated. There was a common interest in reducing violent fluctuations in commodity prices. Each commodity, however, posed a special problem, having its own elasticity of demand, its own production cycle and its own special problems over storage: there was no general panacea. Nevertheless, the adoption of 'a common approach based on mutual undertakings and relevant mechanisms' would undoubtedly be beneficial. He agreed that proposals for indexation, favoured by many developing countries, must be examined, but pointed out some of the technical difficulties which existed with regard to this question.

As a basis for discussion on the question of commodity prices the Prime Minister suggested that the common interests of developed and developing countries could be translated into a set of general commitments, which might form part of a general agreement, complemented by six specific proposals for action. Stressing that any general agreement must lay 'heavy emphasis' on the special needs of the poorest countries, he described the general commitments as follows:

'First, we should recognise the interdependence of producers and consumers and the desirability of conducting trade in commodities in accordance with equitable arrangements worked out in agreement between producers and consumers.

'Second, producer countries should undertake to maintain adequate and secure supplies to consumer countries.

'Third, consumer countries for their part should undertake to improve access to markets for those items of primary production of interest to developing producers.

'Fourth, the principle should be established that commodity prices should be equitable to consumers and remunerative to efficient producers and at a level which would encourage longer-term equilibrium between production and consumption.

'Fifth, we should recognise in particular the need to expand the total production of essential foodstuffs.

'Sixth, we should aim to encourage the efficient development, production and marketing of commodities (both mineral and agricultural) – and I should like to emphasise forest products – and the diversification and efficient processing of commodities in developing countries.'

Mr Wilson then proposed specific action to give content to these general commitments. This, he stated, should include measures directed to the following ends:

'1. To establish better exchanges of information on forward supply and demand.

'2. To elaborate more specific rules to define the circumstances under which import and export restrictions may be applied to commodities.

'3. To encourage the development of producer/consumer associations for individual commodities.

'4. To give fresh impetus to the joint efforts of producers and consumers to conclude commodity agreements designed to facilitate the orderly conduct and development of trade. This could be done:

First, by identifying commodities appropriate to the conclusion of such agreements;

Second, by analysing, commodity by commodity, the appropriate mechanisms for the regulation of trade within the framework of such agreements (including international buffer stocks, coordination of nationally held stocks, production controls and export quotas);

Third, by examining ways in which any financial burden arising from these mechanisms may be appropriately financed.

'5. To agree that the regulatory mechanisms incorporated in any international commodity agreement would be directed towards the maintenance of market prices within a range negotiated in accordance with the principles enshrined in the fourth general commitment.

'6. To establish the framework of a scheme for the stabilisation of export earnings from commodities.'

The Prime Minister particularly emphasised the need for schemes to stabilise commodity export earnings as a complement to price stabilisation: these would be particularly helpful to the poorest countries whose commodity products were not generally susceptible to price stabilisation agreements. In this connection, he referred to the Lomé Convention concluded in February between the European Community and the African, Caribbean and Pacific countries (see pp 51-52). 'I have made it clear to our own Parliament that we intend to build on Lomé in respect of Asian countries so powerfully represented at this Conference,' he declared. Nevertheless, other possibilities for wider, self-financing schemes must also be examined.

Mr Wilson said that a General Agreement on Commodities could naturally not be negotiated at the Commonwealth Conference. 'All I am hoping for is a "Second Reading Debate"[1] on these proposals,' he explained. He concluded by suggesting that if his colleagues approved the general approach the Commonwealth countries might carry forward the idea at the Seventh Special Session of the UN

[1] The text of Mr Wilson's speech, together with a memorandum by the United Kingdom delegation, is printed in *World Economic Interdependence and Trade in Commodities*, Cmnd 6061. ISBN 0 10 1606109. HMSO, £1.50.

[1] In the British Parliament, a Bill, after its formal first reading, is given a second reading after a debate on its general merits or principles.

General Assembly in September, as a contribution to the debate on world economic development; practical work could then be set in hand when the fourth UN Conference on Trade and Development met in Nairobi in May, 1976.

Indo-China

Following an escalation in hostilities in Cambodia and South Vietnam which began early in 1975, events moved quickly towards a conclusion in these two countries, with the surrender of the Lon Nol Government's forces in Phnom Penh on 17 April and of the South Vietnam Government's forces in Saigon on 30 April. An American evacuation from South Vietnam was completed on 29 April, when many thousands of Vietnamese refugees also left the country. Britain has recognised the new Governments in Cambodia and South Vietnam.

From mid-April there were reports of hostilities in Laos, the smallest of the three countries of Indo-China, where clashes were said to have occurred between the pro-Communist Pathet Lao and the Nationalist forces. On 9 May a cease-fire was reported to have been arranged; and on 10 May the Neutralist Prime Minister, Prince Souvanna Phouma, announced the resignation of several right-wing ministers from the coalition government set up following a cease-fire agreement of February 1973 (see pp 163-4, 1973) and a later protocol (see p 392, 1973). In a speech on 11 May, the Prime Minister said that important changes had taken place in Laos and that the war had reached an end.

CAMBODIA

After the cessation of United States' bombing of Cambodia in August 1973 (see p 281, 1973) heavy fighting continued between Government forces and the Khmers Rouges.[1] Hostilities escalated sharply at the beginning of 1975, with the Khmers Rouges advancing on all sides towards the capital, Phnom Penh. Lines of communication, by which supplies of food, arms and other essentials reached the capital, were progressively cut, and at the same time the population of the city was swollen by the arrival of thousands of refugees from areas taken by the Khmers Rouges. Overtures for a negotiated peace settlement, made by the Phnom Penh Government of President Lon Nol, were rejected by Prince Sihanouk, who maintained that there could be no compromise with the Phnom Penh regime. The Prince refused to negotiate even after Lon Nol had left the country on 1 April and been replaced, as Acting President, by Sokham Khoy.

On 21 March, when Phnom Penh's airport and last remaining link with the outside world had already begun to come under attack, the staff of the British Embassy were evacuated to Saigon. The United States Embassy continued to function, though on a restricted basis, until 12 April, when the last remaining staff, together with some 160 Cambodians were flown out by helicopter.

The remnants of the forces in Phnom Penh finally surrendered to the Khmers Rouges on 17 April.

A broadcast over Phnom Penh Radio on 27 April stated that a Special National Congress had met from 25 to 27 April, under the chairmanship of Khieu Samphan, Deputy Premier of the RGNUC, and had reached a number of decisions. These included a unanimous resolution that Prince Sihanouk should remain head of State and that Cambodia should pursue a foreign policy of independence, peace, neutrality and non-alignment.

British Recognition

On 2 May a spokesman of the British Foreign and Commonwealth Office announced in London that, with effect from 9 May, the British Government would cease to recognise the Government of the Khmer Republic and would recognise the Royal Government of National Union of Cambodia as the legal government of Cambodia. Notes to this effect were delivered both to the Ambassador of the Khmer Republic and to the Embassy of the RGNUC in Peking. This announcement, said the spokesman, constituted British recognition of the RGNUC.

VIETNAM

Despite the Vietnam cease-fire agreement of January 1973 (see pp 71-5, 1973), endorsed by an international conference in Paris in March (see pp 162-4, 1973), and an amplification of the original agreement designed to take effect from 15 June (see pp 280-1, 1973), violations of the cease-fire by both the Vietcong (the military arm of the Communist-dominated Provisional Revolutionary Government of South Vietnam), supported by North Vietnam, and the forces of the Government of South Vietnam, continued to be widely reported, and there were sporadic outbreaks of hostilities in a number of areas of South Vietnam. The bodies appointed under the provisions of the January 1973 agreement[1] to ensure the operation of the cease-fire on the ground encountered insuperable obstacles from the start and were never able to carry out their tasks successfully; while the political talks between representatives of the Government of South Vietnam and the Provisional Revolutionary Government (PRG), initiated in Paris in February 1973, soon ran into difficulties. The Council of National Reconciliation and Concord provided for in the January 1973 agreement, which was to supervise and organise free elections in South Vietnam, was never formed.

Escalation of Hostilities

Towards the end of 1974 the sporadic fighting which had characterised the military situation for almost two years escalated into a full-scale offensive by the Communists. Early in January 1975 the province of Phuoc Long, north of Saigon, became the first entire province to fall under their control since the cease-fire agreement. In the middle of March,

[1] The Royal Government of National Union of Cambodia (RGNUC) was established in Peking in May 1970 by the deposed Cambodian head of State, Prince Norodom Sihanouk. It was stated to be under the leadership of the National United Front of Cambodia (NUFC), with Mr Penn Nouth as Prime Minister. The Communist-dominated Khmers Rouges are the military arm of the NUFC.

[1] The International Commission for Control and Supervision (ICCS and the Joint Military Commissions (see p 73, 1973).

following a rapid Communist advance in the region, President Thieu ordered Government forces to abandon the whole of the Central Highlands. Shortly afterwards came the abandonment of the former imperial capital, Hué, and the fall of South Vietnam's second largest city, the seaport of Da Nang. With the capture of almost the entire northern and central areas of the country, Communist pressure in the southern Mekong Delta region and towards Saigon increased. By the second week in April Communist forces surrounded Saigon and were advancing towards the outer perimeter of the city, progressively isolating it. In the course of their advance they had captured vast quantities of weapons and equipment left behind by the retreating South Vietnamese army, and had sparked off a movement of refugees which quickly developed into a flood.

PRG's Terms for Settlement

With South Vietnam's military forces in disarray and pressure on the capital mounting, President Thieu began early in April to take up once more the question of a negotiated settlement with the PRG. The latter, however, had already stated that they would not be prepared to negotiate with the existing administration in Saigon. A new government formed by President Thieu on 14 April, for the specific purpose of initiating negotiations, proved equally unacceptable, and the PRG remained adamant even after Thieu's resignation and departure from the country on 21 April, when his place was taken by the former Vice-President Tran Van Huong.

As well as requiring a complete change in the administration, the PRG made a further demand, for the complete withdrawal of the US from South Vietnam, and a total rejection by the South Vietnam administration of US military aid,[1] before they would be prepared to negotiate. These terms were set out in a statement of 24 April.

On 27 April both Houses of the South Vietnam National Assembly agreed unanimously to the appointment as President of General Duong Van Minh, a former head of State (1963-64) who had gathered considerable support in recent years as an opponent of the Thieu regime. He was sworn in as President on the following day, and immediately made a direct appeal to the PRG and North Vietnamese to end the fighting which, after a brief lull, had resumed in what appeared likely to be a final assault on Saigon.

President Minh's overture, like those of his predecessors, was at first rejected, with the reiterated demand that all Americans must first leave Vietnam and that the Saigon 'war machine' must be dismantled.

US Evacuation of South Vietnam

In fact, the evacuation of Americans was already well advanced. On 16 April President Ford confirmed that he had advised the evacuation of all non-essential US personnel, and from 22 April the operation was greatly speeded up, with the dispatch to South-East Asia of military reinforcements to supplement aircraft carriers of the US Seventh Fleet already in the area. These moves were designed to protect the final stages of the evacuation, in which the US had stated the intention of bringing out, in addition to Americans, as many as possible of those Vietnamese whose lives might be endangered because of their association with the US.

The evacuation was completed on 29 April. President Ford announced that evening that all Americans had now left Saigon. 'This action', he said, 'closes a chapter in American experience.'

Surrender of Saigon

Saigon surrendered unconditionally to the Communist forces on 30 April, and on 1 May the Communists claimed to be in full control of South Vietnam.

Refugees

Estimates of the numbers of refugees from South Vietnam have varied, but they appeared to be at least in the region of 150,000. As well as thousands who were evacuated by American planes, helicopters and ships, many thousands more made their escape, principally by sea, arriving at a number of ports in the Pacific. About 4,500, picked up by a Danish cargo vessel from a sinking South Vietnamese ship, were landed at Hong Kong on 4 May and were taken into relief camps there until further arrangements could be made.

US Foreign Policy Statements

In a number of speeches made after it had become apparent that the Communist forces were in process of taking over the whole of South Vietnam, President Ford took occasion to reassure the allies of the US that his Government would stand by its overseas commitments. On 3 April, for example, at a press conference in San Diego, he warned that the 'tragedy of Vietnam' should not be taken by 'any adversaries' as an indication that 'the American people have lost their will or their desire to stand up for freedom any place in the world'. He went on to reassure US allies, and specifically NATO, that Washington would keep its commitments. 'We are going to stand behind our commitments to NATO and we are going to stand behind our commitments to other allies around the world.'

The Secretary of State, Dr Kissinger, spoke in similar vein at a press conference in Washington on 29 April, when he said, 'We do not believe this is a time for recrimination. It is a time to heal wounds, to look to our international obligations, and to remember that peace and progress in the world has depended importantly on American commitment and American conviction, and that the peace and progress of our own people is closely tied to that of the rest of the world.'

Britain and Vietnam

In reply to a question in the House of Commons on 30 April (*Hansard*, cols 468-9) on British aid to Vietnam, the Minister of State for Foreign and Commonwealth Affairs, Mr Ennals, referred to the offer of £1 million made on 9 April (see p 148), and

[1] In August 1974 US military aid funds for South Vietnam for 1974-75 were cut by Congress to $700 million, or a little over half the sum provided in the previous year. A request by President Ford for supplementary aid, first put forward in January 1975, failed to secure the necessary support from Congress to be implemented. Provision was specifically made in the January 1973 agreement for the replacement by both sides of military equipment on an equal basis and under international supervision (see p 73, 1973).

added that on 24 April the British Chargé d'Affaires in Hanoi, on behalf of the European Community, had informed the Democratic Republic of Vietnam that the Community had decided to provide relief for the victims of the Vietnamese war.[1]

A spokesman of the Foreign and Commonwealth Office said on 5 May that the question of admission of some Vietnamese refugees to Britain was under consideration by the British Government.

On 13 May it was announced in London that the British Government had recognised the PRG as the Government of the Republic of South Vietnam, and intended to reopen the British Embassy in Saigon as soon as possible. The Embassy had been closed temporarily on 24 April, when a special flight took members of the staff to Singapore.

Shorter Notes

THE CROWN AGENTS

On 23 April the Minister of Overseas Development, Mrs Judith Hart, told the House of Commons (*Hansard*, cols 1477-83) that the Crown Agents, in meeting their liquidity problems, had so far found no need to draw upon either the £85 million financial support agreed to by the Government in December 1974 (see p 20) or on the standby facilities agreed to at the same time by the Bank of England. This, she hoped, would continue to be the case. But the support of the Government remained firm and ready, the grant being available to cover prudent writing down of assets as necessary, and to provide a capital base. Continuing, Mrs Hart stated that she had confidence in the new chairman of the Crown Agents, Mr John Cuckney, and in his new board who, in the most difficult circumstances, were overcoming the problems they had faced on appointment with considerable success. Since December 1974 the overseas principals (that is, customers) of the Crown Agents had increased the scope and scale of their business. Confidence had increased, and it was right that this should be so, for the steady and gradual withdrawal from property investment and secondary banking by the agents, in accordance with her directive (see pp 314-15, 1974), was restoring a fundamental financial soundness in their operations. In addition, the board had informed the Government of its views as to the principal factors which had contributed to the Crown Agents' problems, and these defects were being rapidly remedied. At the same time, the Government had decided, and the Crown Agents' board had recommended it, to set up a committee of inquiry into the events and circumstances which had given rise to the need for Government support. This, she added, would give complete protection to the confidential interests of the overseas principals. Further consideration would also be given to the relationship between the Crown Agents and the Government, and a White Paper, containing detailed proposals along with the necessary background information about past custom and practices, would be presented to Parliament at a later stage.

[1] At a meeting in Dublin on 13 April, the Foreign Ministers of the Community agreed in principle to give assistance to all parts of South Vietnam. On 14 April the Council of Ministers, meeting in Luxembourg, approved the proposal, which entailed the sending of immediate supplies of food and medical requirements, to be distributed by the International Red Cross and the UN High Commission for Refugees. Costs of transport would also be met, and the council welcomed a proposal for further similar projects to be put forward in the near future.

ECONOMIC AND SCIENTIFIC AFFAIRS

The Budget 1975-76

In his Budget speech (*Hansard*, 15.4.75, cols 273-322), Mr Denis Healey, Chancellor of the Exchequer, proposed measures designed to divert resources into the balance of payments and to alleviate the structural problems which had caused the economy to lag behind its competitors. The proposals included tax increases to move resources away from private consumption, cuts in public expenditure planned for 1976-77, and a variety of measures designed to help build up Britain's industrial base and encourage exports.

INTRODUCTION

The consequences of the oil crisis, which could now be seen more clearly, provided a formidable setting for British economic policy in the next few years, said Mr Healey. Firstly, the increase in the price of oil, combined with increases in the price of food and raw materials, had inflicted a heavy blow on the nation's real income. Oil imports in 1974 had cost about £2,900 million more than in the year before, and Britain was left with a current balance of payments deficit of £3,800 million – equivalent to more than 5 per cent of the gross national product. In effect, Britain was spending 5 per cent more as a nation than it was producing. In 1974, the Chancellor said, Britain had had little difficulty in borrowing on commercial terms to cover its deficit from sources that imposed no policy conditions on their lending. However, unless lenders had confidence that the value of money placed in Britain was not threatened, the supply of unconditional funds in the future could prove to be inadequate.

The second consequence of the oil crisis concerned the impact of inflation. Higher world prices had been the major cause of inflation for most of 1974. However, the Chancellor said that, for the last six months or so, the main cause of rising prices in Britain had been the scale of wage and salary increases, which had been far in excess of what could be justified by the increase in prices, and which could not possiby be offset by gains in productivity. One of the more damaging effects of continuing inflation at a rate of nearly 20 per cent would be on Britain's international competitiveness. The Chancellor said that if Britain were almost alone among the industrialised countries with so high a rate of inflation, it would have very serious consequences for its trade and payments.

The third major impact of the oil crisis had been on world trade. The Government had foreseen that, because the oil-producing countries would be unable at first to spend the enormous additional sums of money they had earned, the rise in world oil prices was bound to reduce world demand. The exceptional boom between 1972 and 1973 had turned rapidly into a world economic recession, which was already the most severe since the 1930s. Britain had taken compensating measures to increase demand as much as possible, given the size of its external deficit and the rate of domestic inflation. This was the main reason why the rate of unemployment in Britain had risen so much less than that of nearly all Britain's competitors. However, the recent measures taken by the Federal Republic of Germany and the United States of America, although they would not be felt for some time, gave real ground for confidence about the world outlook in 1976.

The Chancellor said that there had been uncertainty about the size of the cumulative petro-dollar surplus in the early stages of the oil crisis. There was now a developing consensus that it would reach its peak earlier than expected, and that the peak would be considerably lower than had been expected in the early stages. Perhaps a cumulative surplus by 1980 of about 250,000 million dollars at 1974 prices was somewhere near the likely outcome. If this was so, the stress on the international monetary system imposed by the petro-dollar surplus would be easier to handle. Moreover, the new International Monetary Fund recycling facility (see pp 62-4) which was already operating, and the Organisation for Economic Co-operation and Development (OECD) financial support fund, the agreement for which had been signed the previous week (see pp 170-1), would help further to reduce those strains. But, for the same reason, oil-consuming countries would have to plan to transfer resources to the oil producers to pay for their oil faster and on a larger scale than had seemed likely to be necessary a year ago.

Mr Healey said that his brief account of the oil crisis established the setting in which Britain had to attempt to solve its national economic problems. The solution was not likely to be found solely through the instrument of fiscal policy. Macro-economic measures had to be accompanied by measures which directly affected the tempo and direction of Britain's industrial development.

ECONOMIC REVIEW

Fixed investment in manufacturing in 1974 had been 10 per cent higher than in 1973, and export of goods had increased by 7 per cent in volume. Britain had seemed to have maintained its share of world trade in manufactures and might even have increased it lately, since the volume of exports had held up while world trade had fallen. At the same time the volume of imports had increased very little in 1974, and had fallen since. However, Mr Healey said that this shift of resources in favour of the balance of payments had not been sufficient to offset the enormous shift in the terms of trade against Britain.

The gross domestic product had been maintained, and for most of 1974 the rise in unemployment had been fairly moderate, though it had risen substantially in the last four or five months. The mid-March rate of unemployment, seasonally adjusted, had been 3·2 per cent, which, in contrast to most other industrialised countries, had been no higher than the rate of unemployment at the beginning of 1973. However, Britain had nearly a quarter of a million workers on short time.

In the period ahead, the growth of British exports would turn critically on the recovery of world trade. Given the scale of reflationary measures which had been taken in the United States and the Federal Republic of Germany, the Chancellor thought it was sensible to work on the assumption that the recovery would be under way by the turn of the year. The fastest growing element in world trade would probably continue to be the imports of the oil-producer countries.

Public Sector Finance

The public sector borrowing requirement for 1974-75 had increased to £7,600 million from the November Budget (see pp 426-9, 472-3, 1974) forecast of £6,300 million. This increase was due to a number of changes in expenditure, including measures taken in respect of Burmah Oil (see p 27), the Crown Agents (see p 20) and Channel Tunnel compensation (see pp 73-4). The excessively large wage and salary increases raised public expenditure in money terms much more than public sector receipts in 1974, and the public sector deficit had risen sharply.

Monetary Developments

The Chancellor had aimed to keep the rate of monetary expansion firmly under control. In 1974, M3, the broader definition of money, rose by 12·5 per cent, while M1, the narrow definition, rose by 11 per cent. Both these rates had been very much lower than the underlying growth rate of gross domestic product in money terms and compared favourably with the 28 per cent growth in M3 in the previous year. With money supply rising at this rate, the growth of banks' interest-bearing eligible liabilities had been, in late 1974 and early 1975, increasing well within the guide-line set out under the supplementary deposits scheme. Therefore, with the Chancellor's approval, the Bank of England had been able to suspend the operation of the scheme (see p 121). Interest rates had fallen substantially over the past year and this had been a welcome relief to industry and other borrowers.

Pay and Prices

The Government had honoured its side of the social contract (see p 108) and total Government expenditure on items which made up the 'social wage' (see p 108) had increased by about 12 per cent in real terms. In fact, the 'social wage' now amounted to about £1,000 a year for every member of the working population. Many in the trade union movement had worked hard to apply the pay guidelines laid down by the Trades Union Congress to honour its side of the contract. However, the Chancellor said, the general rate of pay increases had been well above the increase in the cost of living and much further still above the level in countries which competed with Britain. By February 1974, the retail price index stood at 19·9 per cent above that of the year before, and the wage rate index was 28·9 per cent above. Pay had recently been running at 8 or 9 per cent ahead of prices. The Chancellor warned that settlements so far beyond the increase in the cost of living were bound severely to restrict his room for manoeuvre in this Budget, and limit the pace at which the Government could carry out its remaining commitments under the social contract. However, experience under many post-war governments had shown that a statutory policy for incomes was unlikely to produce better results. The immediate effect of excessive wage settlements was to increase private consumption with damaging effects on the balance of resources in the economy, which the Government had to attempt to remove by increasing taxation.

ANALYSIS AND STRATEGY

Mr Healey said that the main purpose of his Budget would be to ensure that the economy could take full advantage of the strong recovery in world trade expected in 1976. His intention was to establish a strategy which would enable Britain to achieve a very substantial improvement in its current account deficit in the next two years, and to eliminate the deficit entirely as rapidly as possible thereafter. More national resources had to be set aside for exports.

Several factors made it necessary for Britain to reduce its balance of payments deficit more rapidly than would be possible under existing policies. These included inflation, the greater demand for goods from oil-producers, and the delay in the flow of oil from the North Sea. (The Chancellor said that Britain's offshore oil remained an asset of unique value and Britain could expect to reach self-sufficiency by 1980, but the build-up of supplies would follow a profile slightly less helpful for the country's short-term problems.) Britain had to keep control of its own policy. By relying unduly on borrowing, Britain would run the risk of being forced to accept political and economic conditions imposed by others.

It was not possible to bring about sustained and progressive improvement in the balance of payments if at the same time the public sector financial deficit was increasing rapidly as a percentage of gross national product. The pre-Budget estimate for the public sector borrowing requirement in 1975-76

was over £10,000 million. The Chancellor said that this would have involved unacceptable risks and he intended to reduce the borrowing requirement by well over £1,000 million in 1975-76, and by about £3,000 million in 1976-77. This could only be brought about by reductions in both public and private spending. To avoid wasteful disruption and extra costs always involved in short-term cuts in expenditure programmes, the Chancellor had decided to rely on higher taxation in the current year, with the reduction in public expenditure taking place in 1976-77. Mr Healey intended to contain the growth in money supply at a level which did not fuel inflation, and to concentrate the credit available on the essential needs of the economy.

BUDGET PROPOSALS

Measures Affecting Industrial Capacity

The Chancellor said that the most important single object of economic policy was to improve the performance of Britain's manufacturing industry. Explaining the need to ensure that Britain's exports of manufactures rose faster than imports, he announced measures that would, to some extent, reduce the level of unemployment in the short run as well as improve industrial capacity in the medium term.

In addition to what was already planned to be spent on industrial training and the employment services, £20 million was to be allocated in 1975-76, and £30 million in 1976-77. This would make available training for some 30,000 additional people in 1976. Although the present situation did not call for it, enabling powers were to be taken as a contingency measure so that a temporary employment subsidy might be paid in certain circumstances to firms over a limited period if they were prepared to delay redundancies.

Two studies on the investment programmes of the nationalised industries were being made; one concerned the stability of long-term investment and the other the relations of the nationalised industries with suppliers in manufacturing industry.

A sum of £100 million would be provisionally allocated towards two selective investment programmes, one to encourage projects which would help the balance of payments, and the other for modernisation and re-equipment projects. This should generate additional investment by industry of £500 million to £600 million. To facilitate the provision of working capital for exports the Export Credits Guarantee Department would provide facilities to guarantee loans for pre-shipment finance on large export projects, and the Price Code would be relaxed to assist the liquidity of exporting companies and to support investment. The rate of investment relief in the Price Code would be raised from 17·5 to 20 per cent and be extended to cover investment for export and purchases of commercial vehicles. A new provision would allow the Secretary of State for Prices to give relief from price control where this would bring a net benefit to the balance of payments.

Import Economies

Based on a judgment of the likely future level of world food prices the Government aimed to increase the output of British agriculture over the next five years (see p 211).

To prevent a drain on the balance of payments, exchange control was being strengthened and licensing introduced to check imports of gold coins and medals. Under the new exchange controls gold coins minted after 1837 could no longer be bought from non-residents except by authorised dealers, who could sell only to non-residents. The import of gold coins would be subject to individual licensing.

Public Expenditure

The planned level of public expenditure in 1976-77 (see p 66 for 1974 Public Expenditure Survey) would be reduced by over £1,100 million at present prices or £900 million at 1974 Public Expenditure Survey prices. (All public expenditure figures given below are in 1974 survey prices.) The defence budget would be cut by £110 million or by about 3 per cent. In civil programmes current expenditure was generally to be reduced by 1·5 per cent, and capital expenditure by 10 per cent. These reductions would produce a saving of about £125 million on current expenditure on goods and services and about £280 million on capital expenditure. These cuts would not apply to certain social services. No reduction was proposed in the building of new council houses, but a saving of £50 million would be found from other capital expenditure in the housing programme.

The Chancellor estimated that subsidies to nationalised industries in compensation for price restraint would be reduced from £550 million in 1974-75 to some £70 million in 1975-76, and were likely to have been removed altogether by April 1976; provision for food subsidies in 1976-77 would be reduced by £150 million, and that for housing subsidies by £65 million; nationalised industries' investment would be reduced by about £100 million in 1976-77.

The increase in the provision for overseas aid would be reduced by £20 million spread over 1975-76 and 1976-77. The mid-term census of population would not be held.

A sizeable proportion of these savings would fall on programmes administered by local authorities. To enable closer liaison between ministers and local authorities on financial issues it was proposed to set up a consultative council on all matters of policy affecting local authorities which have major financial implications.

Child Benefit

A new scheme for child benefits, to include provision for the first child, was to be introduced in April 1977. Seven million families would be eligible. As an interim measure family allowances were to be paid for the first children of one-parent families from April 1976.

Company Finance

The rate of corporation tax would remain unchanged at 52 per cent but the advance corporation tax supplement (see p 124, 1974) would not be repeated. Tax relief on the increase in the cost of replacing stocks, given to larger companies in the November Budget (see p 428, 1974), would be continued and extended to all companies and un-

incorporated businesses. Compensation was to be given to those traders who had had to wait for relief. As the Sandilands Committee on Inflation Accounting had not yet reported, the stock relief would be on substantially the same basis as before. The Finance (No 2) Bill 1975[1] would contain provisions preventing the allowance, against profits, of losses that had been incurred by oil companies in transactions at artificial prices in overseas oil. This would implement Government policy previously announced (see p 280, 1974).

Indirect Taxation

VAT

The 25 per cent rate of value added tax (VAT) introduced on petrol in November 1974 (see p 428, 1974) would be extended from 1 May 1975 to a wider range of goods, comprising most domestic electrical appliances other than cookers and heaters; radios, TV sets, hi-fi and similar equipment; certain boats, aircraft and caravans; cameras and binoculars; and furs and jewellery. The 25 per cent rate compared with a top rate of 25 per cent in Belgium; 30 per cent in Italy; 33·3 per cent in France; and 36·75 per cent in the Irish Republic. The Chancellor estimated that the extension of the 25 per cent rate would bring in an additional £325 million of revenue in a full year. The standard rate of VAT would remain at 8 per cent.

The limit for variation by order in the rates of VAT (the VAT 'regulator') would be increased from 20 to 25 per cent.

Revenue Duties

The effective burden of revenue duties, which are levied in specific sums on given quantities of the goods concerned, had been eroded by inflation. Mr Healey had decided to increase these duties, taking into account the VAT effect, so as to have the following effects: the tax burden on beer would increase by 2p a pint on average; the tax burden on a standard bottle of spirits would increase by 64p; the tax burden on wine would increase by 24p on a standard bottle; the tax burden on most packets of 20 cigarettes would increase by between 5½p and 10p depending on size and type.

The duty on bingo would be increased to 5 per cent. The gaming licence duty would be restructured and the level of duty increased. The net 'take' on gaming machines would be liable to the standard rate of VAT but the duty on second and subsequent machines would be reduced. There would be no change in hydro-carbon oil duty.

The total effect on all changes in Customs and Excise duties and taxes was estimated at £965 million in a full year. The traditional practice of charging revenue duties on imported goods as customs duties would be changed and instead excise duty would be charged on imports. This was essentially a legal restructuring with negligible revenue and price effects.

Vehicle Excise Duties

The Chancellor proposed to increase the rate of duty on private cars from £25 a year to £40 a year. The same 60 per cent increase would apply to the short-period licences and to motor-cycle, three-wheeler and pedestrian-controlled vehicles. Most commercial vehicle rates would be increased by one-third with a minimum rate of £40. The duty on hackney carriages would be increased from £12 to £20 a year. The additional yield of the vehicle excise duties would be £270 million in a full year.

Direct Taxation – Miscellaneous

Capital Gains Tax

The Chancellor proposed to end the so-called 'bed and breakfast' arrangements whereby companies had sought to obtain relief for losses on shares with which they had had no real intention of parting. He also proposed to end the 'double banking' device whereby wealthy taxpayers obtained tax relief for a capital loss on Government securities held for more than 12 months. Reliefs were to be given to working farmers, small businessmen and the owners of historic houses on broadly the same lines as the corresponding special concessions given for capital transfer tax (see p 154).

Tax on Incomes

Measures to ensure that the burden of taxation was fairly shared were proposed by Mr Healey. The Finance Bill would require that the Pay-As-You-Earn system would apply to the pay of office workers and other staff engaged through agencies. The Chancellor would bring forward provisions to make taxable at all income levels the benefit enjoyed by an employee where his employer operated a medical insurance scheme. There would also be legislation to prevent avoidance of tax by the issue of vouchers to employees instead of normal pay, though there would be no change in the existing luncheon voucher concession.

Measures to prevent the evasion of tax and national insurance contributions by many members of the so-called 'lump' (see pp 169, 412, 1974) in the construction industry were being introduced. The Chancellor's aim was to ensure that only sub-contractors who could satisfy the Inland Revenue that they had genuine businesses and would meet their future tax liabilities in full would be entitled to be paid without deduction. All existing certificates would be withdrawn and a new, very difficult to forge certificate would be issued to applicants who satisfied much stricter conditions. Companies would be brought within the scheme so that it would no longer be possible to use them as a means of avoiding tax deduction.

As already announced, issues of stock dividends would be charged to tax with effect from 6 April 1975. This dealt with an increasing form of avoidance – a number of companies had offered scrip options and similar schemes under which shareholders had been able to take dividends in the form of stock instead of cash and so escape liability to the higher rates of income tax and investment income surcharge.

Compensation would be paid to individuals when tax repayments were delayed beyond 5 April in the year following the year of assessment. As far as possible, comparable compensation would be given to companies and other bodies when late repayments of tax were made within the charge to corporation

[1] HMSO, 96p. ISBN 0 10 031415 5.

tax. The 'repayment supplement' would be calculated using the same rate of interest as that attached to under-payments of tax – currently 9 per cent – and would not be taxable.

New measures, encouraging the more prompt payment of tax were to be introduced, including more effective rules for securing a reasonable payment on account and for charging interest when tax is not paid pending the result of an appeal.

Personal Taxation

The Chancellor announced that, in order to recoup the cost of the relaxation in the earnings rule for pensioners voted by the House in 1974 against the Government recommendation, the earnings ceiling up to which national insurance contributions were paid would be increased by up to £8 a week more than it would otherwise have been. In this way the cost would be met without imposing extra burdens on the less-well-off contributors.

Personal Allowances

The Chancellor said that inflation reduced the real level of tax thresholds. He proposed to increase the single allowances with the associated wife's earnings allowance by £50, from £625 to £675, and the married allowance from £865 to £955. Although not fully compensating for inflation, these increases would cost the Inland Revenue £546 million in a full year and take 400,000 people out of tax. The additional personal allowance, which could be claimed by a single parent who was also entitled to child allowance for a child living with him, would be increased by £100, from £180 to £280, at a cost of £8 million in a full year. Apart from these changes, personal allowances, the points at which the higher rates of tax take effect, and the levels and rates of investment income surcharge, would remain unaltered. Mr Healey said that his need for revenue was paramount and he could not offer any general relief beyond the increase in allowances proposed.

As already announced, the Chancellor would review the higher tax rates on earned income once the additional taxable capacity represented by the ownership of wealth had been brought into charge by the proposed wealth tax (see p 319, 1974). He would also take action to deal with fringe benefits and tax evasion.

Income Tax Rates

Mr Healey said that wages and salaries had risen overall substantially above the level laid down in the guidelines of the Trades Union Congress. He therefore had no alternative, as announced in his November 1974 Budget speech, other than to raise income tax to remove the excess demand involved. The Chancellor proposed to raise the basic and higher rates – except for the highest rate – by 2 percentage points. The new basic rate would therefore be 35 per cent and there would be a corresponding adjustment in the rate of advance corporation tax. The additional revenue from this increase would be £662 million in the first year and £771 million in a full year. Mr Healey said that the increase could be regarded as an anti-inflation surcharge and warned that similar increases might be necessary in future unless the increase in wages and salaries was kept under better control.

The combination of all measures announced in the Budget would reduce the public sector borrowing requirement by £1,200 million in the current year.

CONCLUSION

Mr Healey looked forward to a better year for the balance of payments in 1975; there were good prospects that the deficit would be £1,000 million lower than that in 1974. The non-oil deficit on the current account would have turned into a substantial surplus.

Prices would continue to increase. Mainly by adjusting the excise duties to reflect past inflation, the budget measures themselves would increase the retail price index by 2·75 per cent. However, by the middle of the year Mr Healey expected the month-on-month index to fall. There were good prospects that the cost of living increase between June and December would be at an annual rate of between 12 and 16 per cent provided there was no acceleration in wage and salary increases. The borrowing requirement in 1975-76 was expected to be about £9,000 million or about 10 per cent of gross domestic product (GDP). However, the borrowing requirement in 1976-77 would be significantly lower as a proportion of GDP since the Chancellor's measures would reduce the borrowing requirement by £3,000 million in that year compared with £1,000 million in 1975. GDP was expected to be much higher in 1976-77. The borrowing requirement would be much lower if exports increased to the extent that domestic output and employment could return to full employment conditions.

The income tax changes would benefit the lower-income taxpayers. Nine million taxpayers or 35 per cent of the total would pay less tax. Poor families would be affected least of all by Mr Healey's strategy of moving resources away from private consumption.

Unemployment was difficult to forecast but the Chancellor warned that it would be touching 1 million, or 4 per cent, by the end of the year. The Budget would reduce demand in 1975 by about £330 million and might be responsible for about 20,000 of the total unemployed. This was part of the price Britain had to pay for having inflation at current levels. However, in 1976, as world trade began to grow vigorously again, the Chancellor expected a continued reduction in the number unemployed.

Budget Statistics

Tables 1, 2 and 3 taken from the *Financial Statement and Budget Report 1975-76* (HMSO, 80p, ISBN 0 10 023175 6) show the major items in the central Government's expected revenue and expenditure for the year 1975-76.

DEBATE ON THE BUDGET

Opposition Views

Sir Geoffrey Howe, speaking for the Conservative Opposition (*Hansard*, 16.4.75, cols 460-63), criticised the Chancellor's public expenditure cuts as being too little in substance and too late in their

Table 1 Summary of Consolidated Fund Receipts and Issues *£ million*

	1974–75	1975–76 estimate	
	Outturn	Before Budget changes	After Budget changes
Revenue			
Taxation	22,132	25,600	26,851
Miscellaneous receipts	1,438	1,259	1,259
Total	23,570	26,859	28,110
Expenditure			
Supply services	25,605	28,684	28,729
Consolidated Fund standing services	1,197	2,129	2,129
Total	26,802	30,813	30,858
Deficit met from the National Loans Fund	−3,232	−3,954	−2,748

Table 2 Taxation and Miscellaneous Receipts *£ million*

	1974–75	1975–76 estimate	
	Outturn	Before Budget changes	After Budget changes
Taxation			
Inland Revenue			
Income tax	10,237	13,830	14,008
Surtax	186	85	85
Corporation tax	2,850	2,085	2,125
Capital gains tax	381	325	325
Estate duty	339	165	165
Capital transfer tax	—	150	150
Stamp duties	197	220	220
Other	1	—	—
Total Inland Revenue	*14,191*	*16,860*	*17,078*
Customs and Excise			
Value added tax	2,497	3,054	3,275
Oil	1,549	1,550	1,550
Tobacco	1,337	1,410	1,675
Spirits, beer and wine	1,133	1,180	1,475
Betting and gaming	238	273	275
Car tax	122	168	170
Other revenue duties	8	10	10
Protective duties, etc.	499	530	530
Agricultural levies	24	40	40
*Total Customs and Excise**	*7,407*	*8,215*	*9,000*
Vehicle excise duties	532	525	773
Selective employment tax	2	—	—
Total Taxation	22,132	25,600	26,851
Miscellaneous Receipts			
Broadcast receiving licences	164	234	234
Interest and dividends	171	145	145
Other	1,103	880	880
Total	23,570	26,859	28,110

*Includes Customs Duties and Agricultural Levies accountable to the European Communities as 'own resources'.

Table 3 **Supply Services and Consolidated Fund Standing Services** *£ million*

	1974–75	1975–76 estimate	
	Outturn	Before Budget changes	After Budget changes
Supply Services			
Defence	4,245	4,526	4,526
Overseas Services	664	686	686
Agriculture, Fisheries and Forestry	1,080	957	957
Trade, Industry and Employment	2,435	2,636	2,636
Roads and Transport	1,229	1,227	1,227
Housing	1,442	1,518	1,518
Other Environmental Services	351	297	297
Law, Order and Protective Services	654	753	753
Education and Libraries, Science and Arts	1,015	1,132	1,132
Health and Personal Social Services	3,680	4,015	4,015
Social Security	2,487	3,144	3,144
Other Public Services	639	759	759
Common Services	602	759	759
Northern Ireland	340	369	369
Rate Support Grant, Financial Transactions, etc.	4,742	5,709	5,709
Total	*25,605*	*28,487*	*28,487*
Supplementary provision (net)	—	197*	242*
Total Supply Services	25,605	28,684	28,729
Consolidated Fund Standing Services			
Payment to the National Loans Fund in respect of service of the National Debt	576	1,245	1,245
Northern Ireland—share of taxes, etc.	421	484	484
Payments to the European Communities, etc.	243	382	382
Contingencies Fund	—68	—	—
Other Services	25	18	18
Total	26,802	30,813	30,858

*This is the estimated net increase in Supply Votes in 1975–76 to take account of the following:

	£ million	£ million
Common Agricultural Policy price review	67	
Domestic farm price review	25	
Fuel oil subsidy to fishing industry	6	
EEC referendum	10	
Nurses pay award	89	
	197	197
Manpower Services Commission training programmes, etc.		20
Selective assistance for industrial investment		25
		242

effectiveness. He also criticised the introduction of an additional rate of VAT and the attempt to draw a line between essentials and non-essentials. Sir Geoffrey expressed doubts about the Chancellor's forecasts for the public sector borrowing requirement and the rate of inflation. The social contract had been widely ignored and that was the cause of the disastrous situation in which the Chancellor found himself. If the social contract was to be reinstated as the keystone of the Government's economic policy, said Sir Geoffrey, it had to be fundamentally renegotiated at once. Then it had to be observed.

Mr Jeremy Thorpe, leader of the Liberal Party, criticised the Chancellor (*Hansard*, 16.4.75, cols 479-90) for calling the 2 per cent increase in income tax an anti-inflation surcharge. The increase in tax affected those who had settled within the social contract and inflicted no greater penalties on those who had settled or would settle outside the social contract. Mr Thorpe believed there should be an inflation tax for those who went beyond the norm and that these matters should be tested before a relativities board.

Offshore Oil and Gas

PETROLEUM AND SUBMARINE PIPE-LINES BILL

The Petroleum and Submarine Pipe-lines Bill, which provides for greater public control of the development of Britain's resources of petroleum (oil and natural gas), received its second reading in the House of Commons on 30 April (*Hansard*, cols 482-614). It seeks to implement the non-fiscal aspects of the Government's policies for the development of the resources of the British Continental Shelf as announced in the White Paper published in 1974 (see pp 279-80, 1974). The Bill provides for the establishment of the British National Oil Corporation (BNOC); tighter controls over the exploration for, and development and production of, oil and gas; controls over the construction and operation of undersea pipelines; controls over the construction and extension of refineries; the establishment of the National Oil Account; and powers to promote the development of Britain's petroleum resources. The Secretary of State for Energy, Mr Eric Varley, said that the Bill's objective was to ensure that the British people derived maximum benefit from their offshore resources. It completed the Government's proposals for offshore oil following the Oil Taxation Act 1975 (see pp 475-6, 1974) and the statement on the petroleum revenue tax (see pp 102-3).

British National Oil Corporation

The BNOC will have powers to explore for, produce, transport and refine petroleum; store, distribute and buy and sell petroleum and its derivatives; take over the Government's interest in British licences; undertake consultancy, training and research; and build, hire or operate refineries, pipelines and tankers. Further activities, which can be undertaken only with the Government's consent, include exploration and production overseas; refining of and trading in petroleum derivatives; establishing or acquiring subsidiaries; and giving loans and guarantees. The Bill requires the corporation to notify the Government before embarking on any new activity or substantially expanding existing activities. A limit of £600 million, with provision for an increase to £900 million with the consent of the House of Commons, is set on the corporation's borrowing powers. The BNOC's board will consist of between six and 20 members appointed by the Secretary of State for Energy. Mr Varley said that the board's structure would be unlike that of other nationalised industry boards because of its unique circumstances. In particular, there would be close contact between the BNOC and the Government; the Bill therefore provided for the appointment to the board of two civil servants as official members and the issue of directions to the corporation. The BNOC's revenue would be paid into a new National Oil Account from which the required sums would be paid to meet the corporation's needs in accordance with an agreed annual operating plan and budget. The account would be under the control and management of the Secretary of State for Energy who would be able, subject to the consent of the Treasury, to pay any surplus into the Consolidated Fund. The BNOC's headquarters would be in Glasgow.

Mr Varley said that the Government believed that state participation was the best way to ensure that Britain shared fully in the benefits of North Sea oil; it created a partnership between the British people and the oil companies and provided a framework in which the Government could help licensees to raise the substantial amounts needed to finance the development of offshore oil resources. The Government wanted to continue to attract the expertise of the oil companies and to work in partnership with them. However, no other major oil-producing country, apart from the United States, had thought it wise to be completely dependent on the oil companies. Participation in future licences would be laid down in the conditions for their award and in present licences would be achieved by negotiation with the companies. Several major oil companies had shown readiness to discuss majority state participation. In addition, the corporation, when fully established, would be able to hold licences as sole licensee. In some of its functions, such as the holding of licences with private sector partners, the BNOC would act on a commercial basis, while in others, such as exploration to establish the size of reserves and the performance of services for the Government, it would act as an agent of the Government. Its gross revenue, assuming 51 per cent state participation in all oilfields, could amount to between £2,000 million and £3,000 million in 1980.

Public Control

Mr Varley described the present controls of the oil industry as 'totally inadequate'. The Bill proposes changes to the model clauses which contain the terms and conditions for the issue of production licences. Provisions are included to control the rate of depletion of oil and gas reserves; to require more information from licensees; to control changes in the ownership of the licensees and other dealings in licence rights; and to require continuing exploration. The Bill requires the construction and use of submarine pipelines begun after the Bill becomes law to be authorised by the Secretary of State for Energy and empowers him to make regulations for the safety of pipelines and employees on pipelines, to appoint inspectors and to hold inquiries into accidents. Mr Varley said that although refinery projects were subject to the normal planning procedures, there should be a separate evaluation of the oil policy considerations. Accordingly, an authorisation from the Secretary of State for Energy would have to be obtained prior to the construction of a refinery with an annual capacity of over one million tons[1] or the expansion of a refinery by more than 500,000 tons a year. In this way undesirable projects would be turned down at an early stage.

Other Provisions

The Bill provides powers for the Secretary of State for Energy, with Treasury approval, to give oil companies loans up to £50 million or guarantees up to £600 million to facilitate or maintain the development of petroleum resources. Mr Varley explained that these powers would be used only in special

1 ton = 1·016 tonnes.

Proved Reserves of Oil and Gas

Field name	Main block	Other blocks	Date of discovery	Date of initial production†	Peak production† (million tons per year)
Oil					
Forties	21/10	22/6a	November 1970	1975 (*a*)	20
Auk	30/16	—	February 1971	1975 (*a*)	2
Brent	211/29	3/4	July 1971	1976	22
Argyll	30/24	—	October 1971	1975 (*a*)	1·8
Piper	15/17	—	January 1973	1976	10·9
Beryl	9/13	—	September 1972	1975 (*a*)	4
Dunlin	211/23	211/24	July 1973	1977	4
Thistle	211/18	211/19	July 1973	1977	8·8
Montrose	22/18	22/17	September 1969	1976	2·4
Ninian	3/3	3/8	January 1974	1977–78	*
Heather	2/5	—	December 1973	1978	2·5
Claymore	14/19	—	May 1974	1977	5·1
Cormorant	211/26	211/21	September 1972	1977	2
Gas					
West Sole	48/6	—	October 1965	1967	
Leman Bank	49/26	49/27, 49/28 and 53/2	April 1966	1968	
Indefatigable	49/18	49/19, 49/23 and 49/24	June 1966	1971	
Hewett	48/29	48/30 and 52/5a	October 1966	1969	
Viking	49/17	49/12a	May 1968	1972	
Rough	47/8	47/3a	May 1968	1975 (*a*)	
Frigg (UK)	10/1	—	May 1972	1977	

* Under reassessment.

† As estimated by operators for those fields where production has not started.

(*a*) Production in these fields is expected to start later in 1975.

cases and that the Government would normally insist on state participation as a condition of providing financial help. Other clauses in the Bill provide powers for the Secretary of State for Energy to refund royalties from the National Oil Account; authority for the Secretary of State to guarantee the Bank of England up to a maximum of £350 million for its support operation for the Burmah Oil Company (see p 27); and for control over the supply of gas for non-fuel purposes.

ANNUAL REVIEW

Rapid expansion in exploration activity, continued success in discovering oil and gas, and further progress towards full-scale production from North Sea oilfields, are among the developments recorded in the third annual review of forecasts of oil and gas production from the British Continental Shelf, published on 14 April.[1]

Exploration and Appraisal

Exploration and appraisal drilling activity increased during 1974 and is expected to continue at a high level in 1975. The number of rigs rose from 25 in 1973 to 39 in 1974 and the maximum number in operation at any time increased from 18 to 29. In 1974, 100 exploration and appraisal wells were begun and/or drilled, compared with 61 in 1973. Between May 1974 and the end of March 1975, 18 significant discoveries of petroleum were made,[1] of which 14 were of oil (including eight in the area to the east of the Shetland Islands) and four of gas or gas condensate. During 1974, 14 new licences for petroleum exploration were issued, 11 of which were for offshore areas. At the end of 1974, 35 offshore exploration licences and 208 offshore production licences were in force; the latter cover 581 blocks, an area of 107,900 square kilometres.

The map on p 203 shows the location of discoveries made up to the end of March 1975.

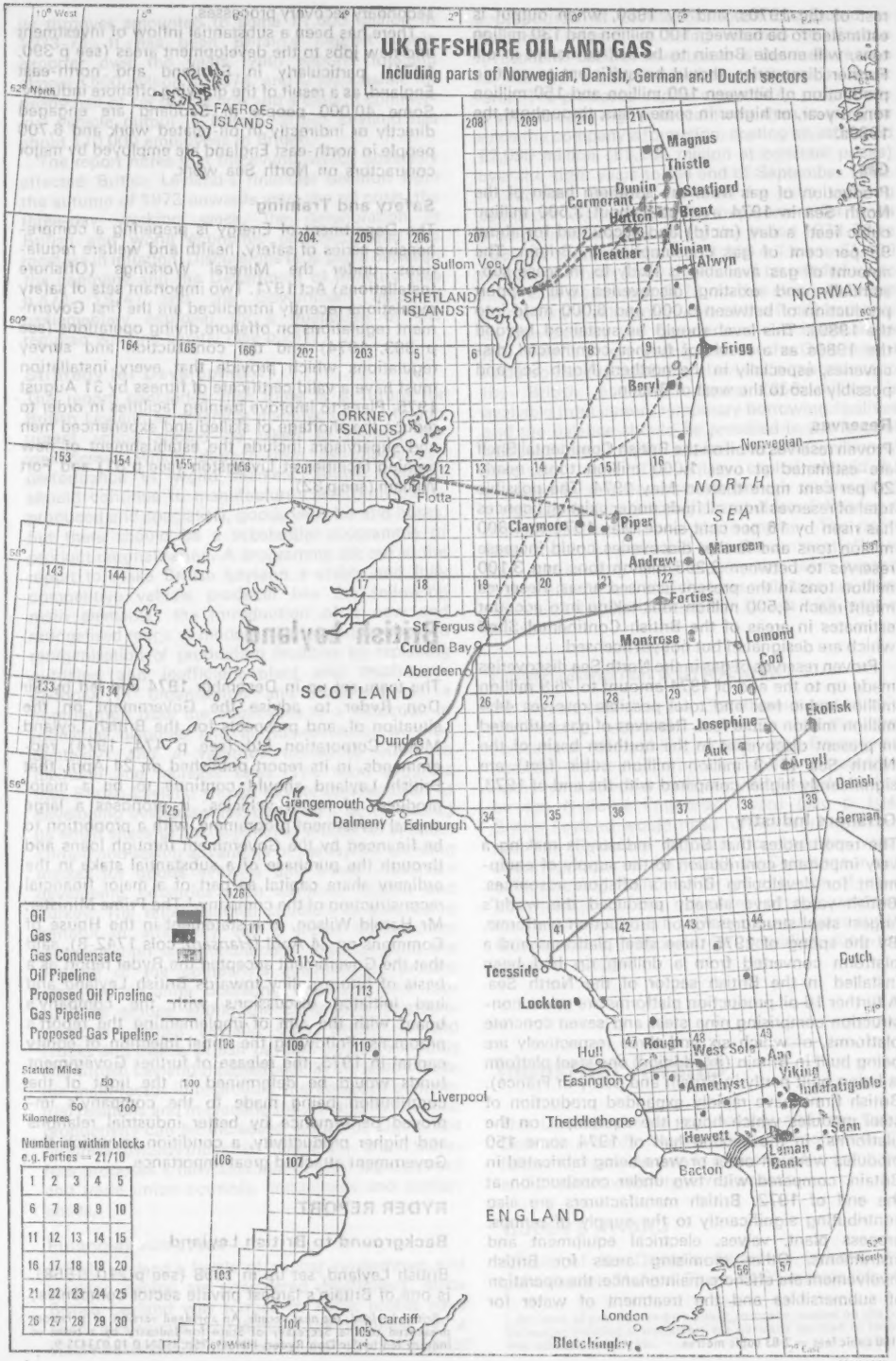
Production

Oil

Production of oil from the British sector of the North Sea is expected to start in the summer of 1975 and by the end of 1975 four oilfields are due to be in production (see table above). Output in 1975 is expected to be between 1 million and 2 million tons, somewhat lower than previous estimates mainly because of delays in the construction and installation of some production platforms. Although oil production in the next few years will not be as high as had been hoped, it will still provide a very substantial relief to the balance of payments in the

[1] *Development of the Oil and Gas Resources of the United Kingdom.* Department of Energy. HMSO, £1·15. ISBN 0 11 410238 4.

[1] Three discoveries have subsequently been reported. Department of Energy press notice, 11.4.75.


UK OFFSHORE OIL AND GAS
Including parts of Norwegian, Danish, German and Dutch sectors
FAEROE ISLANDS
SHETLAND ISLANDS
Sullom Voe
ORKNEY ISLANDS
Flotta
Magnus
Thistle
Dunlin
Statfjord
Cormorant
Brent
Hutton
Heather
Ninian
Alwyn
NORWAY
Frigg
Beryl
Norwegian
NORTH SEA
Claymore
Piper
Andrew
Maureen
Forties
St. Fergus
Cruden Bay
Aberdeen
Montrose
Lomond
Cod
SCOTLAND
Josephine
Ekofisk
Auk
Argyll
Danish
German
Dundee
Grangemouth
Dalmeny
Edinburgh
Dutch
Teesside
Lockton
Hull
Rough
West Sole
Ann
Viking
Easington
Amethyst
Indefatigable
Liverpool
Theddlethorpe
Hewett
Leman Bank
Bacton
Sean
ENGLAND
Cardiff
London
Bletchingley
Oil
Gas
Gas Condensate
Oil Pipeline
Proposed Oil Pipeline
Gas Pipeline
Proposed Gas Pipeline
Statute Miles
Kilometres
Numbering within blocks
e.g. Forties = 21/10
MAY 1975

rest of the 1970s, and by 1980, when output is estimated to be between 100 million and 130 million tons, will enable Britain to be self-sufficient in oil. Further discoveries should be sufficient to sustain production of between 100 million and 150 million tons a year, or higher in some years, throughout the 1980s.

Gas

Production of gas from the southern basin of the North Sea in 1974 averaged about 3,500 million cubic feet[1] a day (mcfd) and accounted for about 95 per cent of gas consumption in Britain. The amount of gas available is likely to increase substantially and existing discoveries will support production of between 5,000 and 6,000 mcfd into the 1980s. This level should be sustained beyond the 1980s as a result of further commercial discoveries, especially in the northern North Sea and possibly also to the west of Britain.

Reserves

Proven reserves of oil on the British Continental Shelf are estimated at over 1,000 million tons, nearly 20 per cent more than in May 1974. The possible total of reserves from all finds under existing licences has risen by 16 per cent since May 1974 to 1,800 million tons and further discoveries could increase reserves to between 2,265 million tons and 3,100 million tons in the present licensed areas. Reserves might reach 4,500 million tons taking into account estimates in areas of the British Continental Shelf which are designated but not yet licensed.

Proven reserves of gas in the North Sea discoveries made up to the end of 1974 amount to 26·9 million million cubic feet and total possible reserves 44·4 million million cubic feet. Reserves of gas estimated in present discoveries in the northern basin of the North Sea (17·9 million million cubic feet) are significantly higher compared with the end of 1973.

Offshore Industry

The report notes that British industry is making a very important contribution to the supply of equipment for developing Britain's offshore resources. British yards have already produced the world's largest steel structures for oil production platforms. By the spring of 1975 three steel platforms and a platform converted from a drilling rig had been installed in the British sector of the North Sea. A further 16 oil production platforms are under construction comprising nine steel and seven concrete platforms, of which six and three respectively are being built in Britain (in addition, one steel platform is being built partly in Britain and partly in France). British firms have rapidly expanded production of steel modules which house the equipment on the platforms; in the second half of 1974 some 150 modules were on order or were being fabricated in Britain, compared with two under construction at the end of 1972. British manufacturers are also contributing significantly to the supply of pumps, process plant, valves, electrical equipment and instruments. Other promising areas for British involvement are offshore maintenance, the operation of submersibles and the treatment of water for secondary recovery processes.

There has been a substantial inflow of investment and new jobs to the development areas (see p 390, 1974), particularly in Scotland and north-east England, as a result of the growing offshore industry. Some 40,000 people in Scotland are engaged directly or indirectly in oil-related work and 6,700 people in north-east England are employed by major contractors on North Sea work.

Safety and Training

The Department of Energy is preparing a comprehensive series of safety, health and welfare regulations under the Mineral Workings (Offshore Installations) Act 1971. Two important sets of safety regulations recently introduced are the first Government regulations on offshore diving operations (see p 363, 1974) and the construction and survey regulations which provide that every installation must have a valid certificate of fitness by 31 August 1975. Plans to improve training facilities in order to reduce the shortage of skilled and experienced men and supervisors include the establishment of new training facilities at Livingston (see p 81) and Fort William (see p 82).

[1] 100 cubic feet = 2·83 cubic metres.

British Leyland

The team set up in December 1974 and led by Sir Don Ryder to advise the Government on the situation of, and prospects for, the British Leyland Motor Corporation Ltd (see p 474, 1974) recommends, in its report published on 24 April, that British Leyland should continue to be a major producer of motor vehicles; it proposes a large capital investment programme, with a proportion to be financed by the Government through loans and through the purchase of a substantial stake in the ordinary share capital as part of a major financial reconstruction of the company.[1] The Prime Minister, Mr Harold Wilson, in a statement in the House of Commons on 24 April (*Hansard*, cols 1742-8), said that the Government accepted the Ryder report as a basis of future policy towards British Leyland and had initiated discussions with the company's board with the aim of implementing the report's proposals. Following the initial injection of equity capital in 1975, the release of further Government funds would be determined in the light of the contribution being made to the company's improved performance by better industrial relations and higher productivity, a condition to which the Government attached great importance.

RYDER REPORT

Background to British Leyland

British Leyland, set up in 1968 (see p 210, 1968), is one of Britain's largest private sector companies;

[1] *British Leyland: the next decade.* An abridged version of a report presented to the Secretary of State for Industry by a team of inquiry led by Sir Don Ryder. HMSO, 75p. ISBN 0 10 023425 9.

its turnover amounted to some £1,600 million in 1973-74. It has been Britain's biggest single exporter over the years, with exports totalling almost £500 million in 1974, and is responsible for nearly half of car production and a third of commercial vehicle output in Britain. British Leyland has about 170,000 employees in Britain.

The report notes that the events which adversely affected British Leyland's financial position from the autumn of 1973 onwards were the oil crisis, the three-day working week, the deterioration in British and world economic prospects, and the increase in inflation. Discussions took place between the company and the Department of Industry (see p 474, 1974) and the Government obtained parliamentary approval for a guarantee of the required working capital (see p 24).

Strategy for Development

The report concludes that there is a future for British Leyland as a vehicle manufacturer, although urgent action should be taken to remedy the weaknesses which detract from its competitive performance in world markets. British Leyland should continue to manufacture cars (both mass-produced and specialist), goods vehicles and buses, but there should be a substantial programme of product rationalisation. A programme set out in the report to make British Leyland a viable and fully competitive vehicle producer has the following main elements: the introduction of a new and rationalised range of models; the modernisation and reorganisation of production facilities by replacing outdated and inefficient plant and machinery; changes in organisation and management; a contribution from the employees to a reduction in industrial disputes and an improvement in productivity; and a vigorous marketing effort to maintain and increase sales. The team suggests that British Leyland should devote greater effort to developing overseas sales, particularly by increasing its small share of the expanding market in Western Europe and taking advantage of the rapidly growing market for goods vehicles and buses in certain developing countries such as Iran, Nigeria and Turkey. The organisational structure is considered harmful to efficiency and a major management reorganisation is recommended together with the division of the company's activities, at present organised in nine operating divisions, into four separate groups within the company's corporate structure – British Leyland Cars, British Leyland Trucks and Buses, British Leyland Special Products and British Leyland International. In the team's view, the main factor in improving the company's industrial relations and in creating the conditions in which productivity can be increased would be significant progress towards industrial democracy, and it therefore proposes a new structure of joint management and trade union councils, committees and conferences.

Financial Structure

British Leyland's levels of capital expenditure and working capital are considered insufficient; since British Leyland was formed in 1968, profits have been inadequate to maintain the business on a viable basis and, in the view of the report, too great a proportion of profits has been distributed as dividends instead of being retained to finance investment. Lack of investment is the main reason for the low productivity of the company's labour force. The proposed capital expenditure programme is substantially higher in real terms than in any year since the company's formation, costing an estimated £2,090 million (£1,264 million at constant prices) over the eight years to the end of September 1982. In addition, there is provision for extra working capital of £750 million. The requirement for funds from external sources during the period 1974-75 to 1980-81 is estimated to be £1,300 million to £1,400 million, of which £900 million will be needed up to the end of September 1978. At this stage, the team points out, a substantial part of the funds can only be provided by the Government and it considers that there is a very strong case for the Government to do so because of British Leyland's importance to the British economy. Some £200 million is available from current temporary borrowing facilities and the balance should be provided in the form of £200 million of equity capital and £500 million of long-term loans. The equity capital should be provided by the Government through underwriting a rights issue[1] to existing shareholders following a capital reconstruction of the company. The rights issue should be preceded by a Government offer to buy out existing shareholders; the team expects that relatively few shareholders will take up these rights and the Government will be left with most of the shares.

PRIME MINISTER'S STATEMENT

Mr Wilson said that the Government agreed with the report's proposals; in return for the large investment of public money the Government intended that it should have a majority shareholding in the reconstructed company which would be held by the National Enterprise Board (see p 104). British Leyland would need further working capital and the Secretary of State for Industry would shortly present to the House of Commons a draft order seeking authority for an increase of up to £50 million in the guarantee already approved (see p 24) and at the same time would set out the Government's proposals for providing long-term financial support.

Industrial Awards

The Queen's Award to Industry and the Design Council Awards were recently announced. The following contains details of some of the companies and products which received awards.

QUEEN'S AWARD

Details of the Queen's Award to Industry were published on 21 April. There are 95 awards this year,

[1] An issue of new shares by a public company quoted on the Stock Exchange; existing shareholders are normally entitled to have the first subscription rights.

comprising 76 for export achievement, 17 for technological innovation and two for achievements on both counts. The total of 76 firms gaining awards for export achievement is the third highest since the awards began in 1966. The recipients of awards represent a wide spread of industrial and commercial activity and of size of company. A third of the companies employ fewer than 200 workers. The list also includes the first export award to a merchant bank — Morgan Grenfell — whose international banking services and exports have expanded rapidly over the past three years. Others are awarded to exporters of agricultural and industrial tractors, aircraft, chemicals and pharmaceuticals, engineering products, electrical and electronic equipment and a wide range of other products and equipment. For technological innovation the awards cover such advances as the development of an inhaler for bronchial asthma; a system for inspecting propeller shaft bearings and seals on ships without the need for dry-docking; a low-volume crop spraying unit which relies on natural forces for distribution of the spray; and a complete tunnelling system which is claimed to be the smallest in the world. The two awards for export achievement and technological innovation are made in respect of aerospace equipment and pocket calculators.

Export Achievement

Among companies receiving awards for export achievement are the British Hovercraft Corporation, pioneers in the field of hovercraft. Exports over a three-year period, mainly of hovercraft for military and coastal patrol purposes, have increased by £4·25 million to reach a level representing 46 per cent of total sales. In some areas 'turn-key' contracts are operated, with the corporation providing everything from fully-equipped hoverports with hangars and machine shops down to complete on-site maintenance and training of operators' personnel. In the aerospace industry Short Brothers and Harland receive an award for the *Skyvan* short take-off and landing light aircraft. Over the last three years exports have increased by £2·5 million to £5·8 million annually, with an average of 94 per cent of production exported. Originally designed for utility airfields, this aircraft has shown itself to be very adaptable and has also been sold for coastal surveillance and VIP transport.

Massey-Ferguson Holdings, manufacturers of tractors, diesel engines and agricultural equipment, have increased their exports by over £46 million over the latest three-year period, to reach almost £160 million annually, representing 70 per cent of total sales. A recent achievement has been the agreement of a contract for the reconstruction and modernisation of the Polish tractor and diesel engine industries, extending over the next 15 years and valued at £150 million. Another manufacturer of agricultural and industrial tractors, International Harvester, also wins an award. Over the last three years this company has increased its exports by £19 million to a level approaching £50 million a year. Wheel tractors account for 70 per cent of exports, the remainder comprising industrial tractors, farm machinery and construction equipment. Over 70 per cent of production is sold overseas with markets in 130 countries.

Anderson Mavor, the leading British manufacturer of long wall coal-cutting and associated machinery, also receives an award for export achievement. In the last three years the company's exports have risen from £1·25 million to well over £4·5 million. Particular success has been achieved in Poland and China; and more recently an order has been obtained from India for coal cutters to a value of £3·4 million. The Colchester Lathe Company, the largest manufacturer of centre lathes in Europe and the leading exporter within the British tool industry, more than doubled its exports over the latest three-year period to over £7 million a year. Two-thirds of the company's production is exported, the main markets being the United States the Federal Republic of Germany and South Africa. Loewry Robertson Engineering, a company engaged in the design and supply of rolling mills, auxiliary and processing equipment, has increased exports by 150 per cent over the past three years, to a level representing 80 per cent of turnover. The company's export performance has largely been based on the development of the hydraulic rolling mill, for which it received an award for technological innovation in 1969. Another recipient of an award is Mirrlees Blackstone, manufacturers of diesel engines and diesel generating sets, which has increased exports by £6 million in the past three years, to a level which represents 70 per cent of turnover. Recent achievements include contracts for generator sets for Greece and the United States valued at £3 million and £1·3 million respectively, and engines for the world's two largest tugs, valued at £1 million.

Among recipients in electrical and electronic equipment the Telecommunications Division of EMI Sound and Vision Equipment, manufacturers of cable TV equipment, transmitting aerials and mobile microwave TV links, receives an award. The division's exports have increased more than threefold to £1·6 million over the last three-year period, representing some 72 per cent of production. Particular success has been achieved in European markets, while major contracts have also been secured in Canada, Nigeria, Dubai and Hong Kong. Eurotherm, a company established only ten years ago, has reached a position of world leadership in the field of electronic industrial temperature control equipment. In the past three years, exports have increased almost threefold to a level exceeding £1·25 million, representing nearly 50 per cent of total sales. Outstanding export success is also recognised in the award to the X-Ray Systems Division of EMI, through sales of the EMI-Scanner, used to detect brain disease. This equipment has won world-wide recognition as a major innovation in X-ray technology, and was the subject of a Queen's Award for technological innovation two years ago. Exports last year (to the end of September) reached a level of £6·5 million, with 96 per cent of production exported.[1]

Glaxo Holdings, manufacturers of pharmaceuticals, surgical instruments, hospital equipment and agricultural and garden chemicals, increased its exports over the past three years by £28 million to reach a level of £68 million annually. The group

[1] The scanner has now been adapted for application to the whole body (see p 209).

exports regularly to some 150 countries, with principal markets in Europe, Asia (including Japan), the Americas, Africa and Australia. Another recipient, Imperial Chemical Industries, receives an award in recognition of the export achievements of three separate units of the company. The Organics Division has more than doubled its exports over the past three years, to exceed £85 million annually; the Pharmaceuticals Division, holder of six previous awards, increased its exports by £20 million to reach almost £46 million a year; and the Agricultural Division's Methanol Group, employing the technology for which it gained an award in 1971, increased its exports over the past three years by more than £11 million. The group now accounts for about one-third of international methanol trade.

Other recipients of the award for export achievement include British Celanese, for sales of synthetic fibres, plastics and chemicals; Asprey, the jewellers, gold- and silversmiths, whose export earnings have increased almost fivefold over the latest three-year period; Blue Anchor Caravans, winners of an award in 1974, whose exports have almost doubled in the past year; Stanley, manufacturers of precision sowing machinery designed to produce higher yields and better quality crops, who have increased exports over the past three years by 160 per cent, to a level of £900,000 annually, representing 68 per cent of production; and John Dewar, blenders and bottlers of whisky, who export over 90 per cent of output to virtually every country in the world.

Technological Innovation

In the technological innovation category, Britten-Norman gains an award for the *Trislander* aircraft. By the application of a tail-fin mounted propellor/piston power plant and by stretching the fuselage of a standard twin-engine *Islander*, the company has produced an aircraft with twice the passenger capacity of the original *Islander* with an increase of only 50 per cent in installed horse-power. The method of mounting a third engine has not previously been accomplished with a propellor/piston plant. The first production aircraft was delivered in 1971 and some 26 units have been delivered to British and overseas purchasers. Another recipient in aerospace is Marconi-Elliot Avionic Systems, who gain an award for the development of a navigation and weapon-aiming system for aircraft. The system was designed for the *Jaguar* aircraft, and by the use of digital computing provides the pilot with navigation and weapon-aiming information on his cockpit displays. Sales of the system in 1974 amounted to £20 million of which £5 million were for export.

The smallest company to gain an award this year is Micron Sprayers, with only 13 employees. The award is made for their ultra low-volume agricultural spraying unit. The spray liquid is atomised into extremely fine and even-sized droplets delivered at about 2 metres above the ground, then spread by natural forces of wind and gravity. The sprayer is mainly designed for use by the peasant farmer in developing countries such as Tanzania, where 50,000 of these units are now being used, mainly for the protection of cotton crops. The Glacier Metal Company has gained a Queen's Award for export achievement on two previous occasions, and now gains recognition for technological innovation in ship sterngear. The system devised by the company enables propellor shaft bearings and seals to be inspected without the need for the ship to be dry-docked, thus saving docking charges and reducing the loss of sea-going time. The first ship to be fitted with this new system entered service in 1970 and a further eight have been equipped. Sales, all for export, totalled some £126,000 in 1974. Innovations in electronic aids to shipping gain a third award for the Kelvin Hughes Division of Smiths Industries. This unit, producing marine electronic instrumentation, has developed a situation display radar which provides a complete picture of the traffic situations around a ship, thus giving ample warning of possible collisions. Sales in 1974 totalled £496,000, of which £188,000 were for export. Other awards for technological innovations include Autoflow Engineering for the development of an automatic punch card programme lens generating machine for the production of a wide variety of ophthalmic lenses to correct astigmatism; Allen and Hanbury's Research, for the development of an inhaler for the relief of bronchial asthma; and Mini Tunnels International, for the development of a small diameter shield driver tunnelling system which overcomes the disadvantages associated with sewer and utility installations in urban areas, such as open trenches and traffic dislocation.

Export Achievement and Technological Innovation

Awards for both export achievement and technological innovation are made to two companies. The Guided Weapons Division of the British Aircraft Corporation gains an award for export achievement in connection with its guided weapons system and communications satellites. The Reinforced and Microwave Plastics Group of the corporation gain an award in technological innovation for the development of a matched moulded injection technique for the production of flight radomes used to protect radar equipment in high-performance aircraft and missiles. The nose radome for the *Concorde*, believed to be the largest one-piece pressure injection moulding of its type in the world, gained the Blue Ribbon Merit Award of the Society of Plastics Industries in the United States, and the group's products are used in a number of European missiles and aircraft.

Sinclair Radionics gain an award for export achievement and technological innovation in respect of the company's 'Scientific' pocket calculator, measuring some 4·75 inches by 2 inches by 0·75 inches, and weighing only four ounces. Sales of this model in 1974 totalled £866,000, of which £487,000 were exported. Export sales of the company's whole range of products was increased tenfold over the past three years, to reach a level of £2·5 million, representing 55 per cent of production. Large orders have been won in Japan, South America, the Middle East and the United States.

Record Aerospace Exports

The number of aerospace firms receiving awards this year emphasises the industry's record export performance in 1974. Exports of Britain's aerospace industry totalled £631 million in 1974, nearly twice

the level recorded in 1971. Exports in 1974 were over 20 per cent up on the previous year, and the increase of £111 million was the largest increase in exports ever recorded by the industry. These results were achieved with a smaller labour force, down from 211,400 in 1973 to 198,500 in 1974. Exports of aircraft and parts in 1974 were up by £52 million to some £300 million, while exports of engines and parts were up by over £55 million to £297 million. Overseas deliveries of new aircraft in the year were worth £83 million and the value of complete new engines exported was up by £39 million to £119 million. Once again the United States was the leading market for exports of both aircraft and parts (£56 million) and engines and parts (£135 million). Other leading markets were France (£82 million) and the Federal Republic of Germany (£61 million). China was the fourth largest customer for aircraft and parts in 1974 with orders totalling nearly £13 million. Reports from members of the Society of British Aerospace Companies indicate that current orders are running at high levels; the British Aircraft Corporation, for example, reported orders valued at £800 million at the end of 1974. Nearly 75 per cent of these were for export and included orders for the *Jaguar* strike/trainer (£80 million), *Rapier* guided weapons systems (£140 million) and *One-Eleven* jet airliners (£15 million).

DESIGN COUNCIL

The Design Council Awards for consumer and contract goods were announced on 6 April and those for engineering products and components on 11 May. For the first time the Design Council also made separate awards for medical equipment, announced on 22 April, and for motor vehicle components, announced on 2 May.

Nine products, ranging from furnishing fabrics to compost bins, receive the award for consumer and contract goods, which takes into account not only good design and appearance but also safety, ease of use and value for money. Among the products are the *Accelerator* compost bin (manufactured by Rotocrop), a circular bin assembled in the home, designed to encourage people to make their own compost by recycling garden and kitchen waste; a new blow-gun (Taylor and Osborne) in lightweight yellow nylon, notable for its built-in safety features; a range of low-pressure sodium lanterns for roads and motorways (Philips Electrical), a feature of which makes it possible to vary the level of light distribution, making for savings in materials and energy; a high-speed photographic processing system (Ilford), which produces prints in only four minutes, one-tenth of the usual time; and a lightweight access tower (Kwiktower), built up from interlocking tubular steel frames, which can be used indoors or out, on level or uneven ground, and at different heights for painting, maintenance work, tree-pruning or any other high level work. Other awards went to a range of tableware, periodical racks and bookrests for libraries, a woollen curtaining material and a range of craft and colour kits.

The six separate awards for medical equipment, made for the first time by the Design Council in collaboration with the Department of Health and Social Security and the King Edward's Hospital Fund for London, demonstrate the results that can be achieved when medical and nursing staff collaborate with designers and engineers. The products receiving awards include a non-electric personal lift (Terry Personal Lifts) which can accommodate all known wheelchairs and be installed in the home with the minimum of structural alterations. The lift operates on the principle of balanced payload, with counterweights concealed within support columns, balancing the weight of the user and wheelchair. Counterbalancing is so precise that it requires little effort to move the lift, which is of therapeutic value to patients, enabling them to move freely in their own homes. An operating table (A. J. Seward), originally designed for use in developing countries where price is an important consideration, also receives an award. The table incorporates many features normally only associated with expensive equipment, and has been designed to provide maximum efficiency for the surgeon and safety for the patient. The table's three-section stainless steel top is mounted on a mild-steel tubular frame carried on four braked casters. There are no potential germ traps since the stainless steel surfaces are either chromium or stove-enamelled so that the complete unit can be washed down.

An award was made for a dip-slide (Oxoid), designed to provide a fast method of detecting urinary infections. The patient urinates over a specially-coated, unbreakable slide and places the wet slide into a polystyrene bottle which is then made air-tight. The sample is sent to the pathological laboratory where, after following normal incubation practices, the slide can be examined without any further preparation. Bath aids in the form of plastic mouldings (F. Llewellyn) which convert a normal bath into either a shallow bath or a sitting bath for use by handicapped people also gain an award. The mouldings fit most types of bath, are filled from existing taps and emptied through the normal outlet, and their use makes the patient independent of lifting manoeuvres as well as lessening the risk of physical strain to nursing staff. Other awards are made to Lucas Medical Equipment for a single-patient kidney machine, and to Clement Clarke International for a hand-held applanation tonometer (of particular value in the early detection of glaucoma, an eye ailment causing blindness in old age).

The Design Council, in association with the Society of Motor Manufacturers and Traders, also made awards for motor vehicle components.

Six awards were made and included one to Automotive Products for their Lockheed auto-reversing caravan brake, a mechanical braking system which automatically ceases to operate when the caravan trailer is reversed. This system assists in the procedure of reversing and parking caravans. An award is also made for a four-speed automatic gearbox, the Borg-Warner *Model 45*, which greatly reduces engine noise. A series of Bedford truck cabs gains an award for Vauxhall Motors. There are three versions of the cab covering requirements from short-haul to long-distance work; features of the series include sleeping accommodation, sound proofing to reduce driver fatigue, full-flow ventilation, a cold air unit for hot climates and suspension seats.

The three other awards represent widely differing solutions to the universal problem of exhaust pollution. The Austin Morris Division of British Leyland receives an award for the development of an air temperature control device which automatically adjusts inlet air to a stable temperature to allow an internal combustion petrol engine to run on a very lean fuel/air mixture. This reduces exhaust emissions as well as leading to a saving in fuel consumption. An award is made to the Ford Motor Company for the development of the Sonic Idle Carburettor. With this carburettor petrol droplets are broken up and the petrol/air mixture subjected to sonic shock waves which make the resulting mixture more completely combustible, thereby reducing the emission of carbon monoxide. The Rolls-Royce *220 Eagle Mk 3* diesel engine receives an award for the incorporation of an advanced combustion chamber designed to secure more complete fuel consumption and reduce exhaust emission.

The Design Council engineering awards are divided into two sections, engineering products and engineering components. There are ten awards, four for engineering products and six for components. The products receiving awards include an articulated 4-wheel drive loading shovel, manufactured by J. C. Bamford Excavators. The shovel incorporates a system which considerably reduces the noise and pollution emitted by the exhaust. Mini Tunnels International, who received a Queen's Award for technological innovation in the development of a system of tunnelling which eliminated the need for open trenches, also receive a Design Council award for this system. Other awards in this section go to Vickers, for the *M86 Scanning Interferometer and Microdensitometer*, which provides digital measurement of biological cell content by optical scanning in a microscope system; and to Ferranti, for advances in laser design.

Awards for engineering components include the Colt Universal Louvre (Colt International), a modular system for providing weatherproofing and ventilation to factories and other buildings; illuminated pushbuttons and indicators (Dewhurst and Partners) for use in lifts and designed to stand up to wilful damage; the Ram Air Turbine (Dowty Rotol), a device fitted to aircraft to provide an extra source of hydraulic power direct from the airstream outside the aircraft; the Oxley Snaplox (Oxley Developments), a method of quickly attaching and detaching test probes to electrical equipment; and a studio fader (Penny and Giles Conductive Plastics) used to fade in or fade out musical signals when recording concerts or similar events. Glacier Metal is another company to receive a Design Council Award as well as the Queen's Award for technological innovation, for the sterngear system designed to allow the inspection of propellor shaft bearings and seals without the necessity for a ship to be dry-docked.

EMI Body Scanner

A British invention that may represent the greatest diagnostic advance since the discovery of X-rays was announced by EMI Central Research Laboratories at Hayes, Middlesex, at the end of April. It is the EMI Body Scanner, which enables doctors to photograph organs inside the body, as well as bones, unclouded by blood. Conventional medical X-rays give good pictures of bones and metallic objects, but can show up internal organs only with the aid of chemicals swallowed by, or injected into, patients. Many different methods have been devised, such as barium meals and intravenous dyes, but none has been entirely satisfactory and all are unpleasant and occasionally dangerous. The EMI scanner, in which a computer calculates results of many thousands of readings by X-rays of cross-sections of the body, simply requires the patient to stand up in front of the machine, which gives highly accurate and detailed pictures on a television screen with complete safety for the patient. The X-ray output is about one-sixth of that of a conventional X-ray machine.

The technique, which has already revolutionised diagnosis of brain disease in the EMI Brain Scanner, introduced three years ago and for which export orders for more than £27 million have been received from all parts of the world, was the result of research and development at EMI and by specialists from the Department of Health and Social Security. Some 200 EMI Brain Scanners, which at present cost about £165,000 each, have gone to North America, which is also seeking to purchase the body scanner, each model of which costs at present about £250,000. Clinical trials are starting in the British National Health Service. A prototype machine has been installed at the Clinical Research Centre of the Medical Research Council and Northwich Park Hospital.

Patent Law Reform

Proposals for strengthening and modernising the British patent system and law (the Patents and Designs Act 1949), following broadly the recommendations made by the Banks committee in 1970 (see p 706, 1970), are contained in a White Paper published on 17 April.[1] A consultative document describing how the system might work was published on the same day and circulated to interested organisations by the Department of Trade.[2]

According to the White Paper, modern economies assume a high level of technology. A capacity to take advantage of technical innovation will continue to be an important factor influencing British industry's competitiveness in world markets. But innovation is frequently expensive and commercial risks can be high. The protection given by the patent system provides a stimulus to invention and innovation, encouraging industry to stiike out along new lines. None the less, the system must evolve in response to changing conditions if it is to make its full contribution to the health of the British economy.

The Government intends to introduce legislation during the next parliamentary session revising the

[1] Cmnd 6000, *Patent Law Reform*. HMSO, 18p. ISBN 0 10 160000 3.

[2] *Patent Law Reform. A Consultative Document*. HMSO, 51p. ISBN 0 11 511639 7.

patent system to ensure that it is in tune with modern trends and sufficiently flexible to accommodate future changes; to streamline procedures for obtaining patents; to establish a special court to hear patent cases; and to take account of international developments.

New Procedures

The new system proposed in the White Paper will provide for patent applications to be published much earlier than they are now.

Search and examination will be separated, and examination will be stricter. Lack of 'inventive step', for example, will become a reason for refusing a patent application at the examination stage. This is likely to result in fewer applications being granted, but, says the White Paper, they will have a higher presumption of validity, and protracted opposition by third parties before a patent is granted will be eliminated.

The White Paper also proposes a re-definition of what constitutes an 'invention'. Up to now, this has meant 'manner of new manufacture'. But, argues the White Paper, although this definition has been interpreted with flexibility, it is uncertain whether it is sufficient to embrace all future changes in technology which deserve patent protection. The Government proposes to abolish the existing definition and provide that patents may be granted for any invention which is new, involves an inventive step and is susceptible of industrial application.

It also proposes to compile a list of items which will not be eligible for patenting. This will include computer programmes and methods for treating human or animal bodies by surgery or therapy.

Changes in the Law

The White Paper proposes that the present 16-year life of a patent should be extended to 20 years to reflect the increasing complexity of modern technology and developments overseas.

For the first time it is proposed to define legally 'an infringement'. This will in future mean unauthorised manufacture, marketing or use of a patented product. Importing products made by a process covered by a British patent will also be banned.

Another proposal is the extension of patent law to cover the concept of 'contributory infringement'– that is, gaining advantage from a patent against the interest of the patentee, but without direct infringement.

The White Paper proposes a new court to hear appeals. When sitting it would consist of a judge appointed by the Lord Chancellor, and two technically qualified lay members drawn from a panel appointed by the Secretary of State for Trade.

Compulsory Licences and Crown Use

Compulsory licence provisions in the Patents Act, under which the Comptroller-General of the Patent Office may issue licences for commercial use of the patent, three years after it has been granted, if it is not by then being put to use by the patentee, provide the main safeguard against the abuse of patent monopoly.

In general, the White Paper says that they will be maintained, but it makes special mention of Section 41 of the Act dealing with pharmaceutical patents, which the Banks committee wished to be repealed. The Government, it points out, feels that the present special compulsory licence provisions of the Patents Act relating to pharmaceutical products, which become effective immediately a patent is granted, should be retained to maintain competition on price and product.

The Government also feels that the 'Crown use' powers in the Act – which give ministers wide powers to authorise the use of patented inventions by the National Health Service – should continue to be available.

Employees' Inventions

The White Paper says that the Government believes that employers should not be able to impair the legal position of employee inventors. This would mean that an employer could no longer require his employees to assign him future inventions made outside their employment. The Government, says the White Paper, is prepared, if public discussion shows this to be warranted, to consider a statutory award scheme for employee inventors, and it points out that several other countries have such schemes.

International Developments

The White Paper gives notice of the Government's intention to ratify several international patent conventions – the Council of Europe Convention on the Unification of Substantive Law (the Strasbourg Convention), the Patent Co-operation Treaty, the European Patent Convention (see p 308, 1972), and, if it is finalised in time and Britain stays in the European Community, the Community Patent Convention.

The Strasbourg Convention was signed by Britain in 1963. The terms of reference of the Banks committee expressly requested the committee to make its recommendations in the light of Britain's intention to ratify the convention. The convention is concerned only with the harmonisation of national laws and does not establish an international patent.

The Patent Co-operation Treaty was signed by Britain in 1970 and provides for work-sharing in the processing of patent applications by providing common procedures. It is of potentially world-wide application and includes Japan, the United States and the Soviet Union among non-European signatories.

The European Patent Convention provides for a European system for granting patents in accordance with the procedures and substantive law set out in the convention. The convention includes countries both inside and outside the European Community. The European Patent Office will have its seat at Munich and will be internationally staffed. Patents granted will have the effect of national patents in the contracting countries designated by the applicant.

The Community Patent Convention, which is still under negotiation, provides for the issue by the European Patent Office of a unitary patent covering the whole of the European Community.

Agriculture

FOOD PRODUCTION

A White Paper on future agricultural policy, *Food From Our Own Resources* (Cmnd 6020, HMSO, 22p) was published on 17 April. It examines the prospects and policies for food production in Britain over the next five to ten years.

Publication of the White Paper follows discussions on the long-term prospects for British agriculture held between the Government and representatives of farmers, workers, landowners and the food and drink industries. Taking account of likely future levels of world and European Community food prices in sterling terms, and of the competing claims on national resources, the Government has concluded that:

(a) the likely levels of world and Community prices for major foodstuffs between now and the early 1980s, and the risks of possible shortage and sharp food price fluctuation, justify a policy of expansion of food production in Britain;

(b) the net product of the agricultural industry should be capable of a continuing expansion of about 2·5 per cent a year on average, and this is the objective at which the Government and industry should aim; and

(c) within this overall objective most benefit is likely to come from higher output of milk (with its concomitant, the beef from the dairy herd) and sugar beet. Cereals and sheepmeat should also make a significant contribution.

The Government says in the White Paper that it will frame agricultural policies in the light of these conclusions. The report states that the objective of Government policy will be 'to provide farmers with a prospect of stability in their returns at levels encouraging the greater home production which would give the country an insurance against periods of shortage and higher prices'.

Food Prices

As the report points out, the effect of the rapid increases in world food prices on Britain's food and total trade deficit has been considerable. Between 1972, when the prices of cereals and protein foods on world markets rose sharply, and 1974, Britain's net deficit in trade in food and beverages rose from £1,750 million to nearly £3,000 million. The import bill for food and feedstuffs rose by some £1,500 million.

The effects of a depreciating currency on the food import bill are considerable. The report estimates that each 1 per cent change in the value of the £ sterling could, when worked through into prices, add some £35 million to the food import bill. So far, the report acknowledges, Britain has been partly protected from the effects of recent depreciation by membership of the European Community, particularly by the payment of monetary compensatory amounts reflecting the difference between the market value of the £ sterling and a fixed representative rate, the 'Green £'. However, in considering possible levels of higher production from own resources it is necessary to value production at the market rate.

Performance

British farmers now produce about two-thirds of all food which can be produced in a temperate climate such as that of Britain. The report points out that the increase to this level of production has been achieved with a much reduced workforce and from a declining acreage. Over the period 1964/65 to 1974/75 net agricultural product has increased by an annual average of 2·5 per cent. Labour productivity has increased by about 6 per cent annually over the same period.

The report recognises the importance of the application of research findings to increases in agricultural productivity and states that 'A continuing investment in the scientific improvement of agricultural technology will be essential to obtain more food from our own resources.' It also draws attention to the work of the Agricultural Development and Advisory Service (ADAS) in increasing the application of already proven techniques.

Output

The report gives two assessments of the possible pattern of production in 1979/80, published separately by the Farmers' Unions. One of these involves a substantial increase in the cattle herd (from 15·2 million in June 1974 to 16·3 million by June 1979) with a small increase in the cereal acreage (9·26 million acres in June 1974 to 9·5 million acres by June 1979); the other envisages a smaller increase in the cattle herd (to 15·4 million) with a large increase in cereals (to 10 million acres) and sugar beet (to 700,000 acres). Both projections call for some increase in the sheep flock, and expansion in pork, poultry and eggs to meet increased demand. Little increase is seen for horticulture as a whole over the period. On either projection the total increase in output compared with the average of 1973/74 and 1974/75 would be worth some £770-£815 million by 1979/80, with a net import saving in the order of £550-£570 million. The report states that the Government is in 'broad agreement' with the Farmers' Unions on the order of magnitude of the increase in output which it would be feasible to obtain by 1980. The report concludes that continuing agricultural expansion is justified by the likely resource cost of alternative imports of food and feedstuffs.

The Government has examined the case for higher production of individual commodities and has sought to assess priorities as between some important products which compete with each other for land and resources. On the basis of this assessment it has sought to construct a revised projection of the higher level of output which is likely to be economically justifiable between now and the early 1980s. The report stresses that the projection 'does not constitute a hard and fast programme' but is intended rather as 'defining a framework within which the Government will decide their own policies'.

Milk and Beef

The report considers that there is scope during the period to 1980 for increased output of milk in Britain with only a moderate increase in the acreage devoted to dairying. The efforts of the advisory service and the study of incentives will be directed towards increasing stocking rates. An improvement

in productivity from the available land area of some 2 per cent per annum is considered to be attainable. The report points out that although the national interest points to a greater emphasis on dairying, together with beef from the dairy herd, rather than pure beef herds, there will be exceptions – thus, in upland areas beef production will often make better use of resources.

Crops

A comparison of the relative benefits of cereal production and sugar beet production has been made. Sugar beet is forecast to offer to Britain, as a member of the European Community, both a higher margin of output over inputs and a larger net import saving per acre than cereals. The White Paper says that the acreage should first be raised sufficiently to produce 1,040,000 tonnes (1·02 million tons) of sugar – the A quota (see p 421, 1974). Thereafter, Britain should aim to produce some 1·3 million tonnes (1·28 million tons). If this were achieved, then Britain would be about 50 per cent self-sufficient in sugar. It is calculated that any greater increase would probably necessitate new factory capacity.

Employment Protection Bill

A Bill to establish machinery for promoting the improvement of industrial relations, and to amend the law relating to the rights of employees and containing procedures for handling redundancies and certain other provisions, was published on 25 March. The following is a summary based on the explanatory and financial memorandum to the Bill.

The Bill's Provisions

Part I of the Bill establishes the Advisory, Conciliation and Arbitration Service on a statutory basis (see pp 121, 161, 225, 1974 and p 82), defines its functions and duties, provides for the appointment of a Certification Officer to certify the independence of trade unions and sets up a Central Arbitration Committee. It also provides for the recognition of trade unions, and places a general duty on employers to disclose to trade union officials information requested for collective bargaining purposes.

Part II introduces rights for individual employees including guarantee payments for lost time and during suspension on medical grounds, rights in respect of pregnancy and confinement, safeguards for persons joining trade unions and carrying out trade union activities, time off for carrying out trade union duties and activities, and for public duties, and time off for workers about to be made redundant to look for work and arrange for training. Other rights for employees are a right of recourse to the Redundancy Fund in respect of arrears of wages and other debts due in the event of insolvency of the employer, the right to a written statement of reasons for dismissal and an itemised statement of wages. There are also provisions for improving the remedy of reinstatement following an unfair dismissal and for amending the basis on which compensation is calculated. The Bill will reduce the number of hours an employee has to work to qualify for the purposes of protection against unfair dismissal, redundancy payments and contracts of employment rights. It also establishes a new body, the Employment Appeal Tribunal, to hear appeals from industrial tribunals on various matters relating to employment, and from the Certification Officer.

Part III makes changes in the system of statutory regulation of terms and conditions of employment in those trades and industries covered by Wages Councils,[1] and in agriculture. The principal changes are to amend the constitution of Wages Councils and to give to the councils, instead of the Secretary of State for Employment, the power to make orders; to enable the Wages Councils and Agricultural Wages Boards to fix other terms and conditions of employment as well as remuneration and holidays; and to increase the penalties for breach of the Wages Councils Act 1959, the Agricultural Wages Act 1948 and the Agricultural Wages (Scotland) Act 1949. It also gives the Secretary of State power to convert a Wages Council to a statutory joint industrial council, to require employers within scope of Wages Councils to provide such information as he specifies and to request the Advisory, Conciliation and Arbitration Service to inquire into and report on the development of collective bargaining within the field of operation of a Wages Council and into the operation of the Wages Council system generally.

Part IV contains provisions for consultation with trade unions about redundancies and for notification to the Secretary of State and lays down limits within which this must take place.

Part V contains provisions for conferring jurisdiction on industrial tribunals in respect of damages for breach of contract of employment, for clarifying the law on peaceful picketing, for the transfer of the licensing of employment agencies to the Department of Employment and for amendment of the Employment and Training Act 1973 and the Health and Safety at Work etc. Act 1974. It also removes the disqualification from unemployment benefit of certain workers affected by trade disputes.

DEBATE ON THE SECOND READING

The Bill received its second reading in the House of Commons on 28 April (*Hansard*, cols 33-170). The Minister of State, Department of Employment, Mr Albert Booth, who opened the debate in the absence through illness of the Secretary of State, Mr Michael Foot, said that the Bill was the second stage of the Government's programme of industrial relations legislation, following the Trade Union and Labour Relations Act (see pp 159, 323, 1974) and the Trade Union and Labour Relations (Amendment) Bill (see p 27). The Government intended to follow it with an industrial democracy measure that would make a logical extension in this field.

Main Purposes

Mr Booth explained that the two main themes of the Bill were the strengthening of collective bargaining and the establishment of new rights for individual

[1] Wages Councils, set up under the Wages Councils Act 1959, are composed of equal numbers of representatives of employers and employees and determine minimum wages, holidays and holiday pay in industries where arrangements for collective bargaining are not sufficiently strong and representative for agreements to be negotiated and their observance ensured.

employees, especially in regard to job security. The first was reflected in many of the provisions of the Bill, notably those dealing with trade union recognition, the disclosure of information to trade unions for purposes of collective bargaining, the reform of Wages Councils, and the establishment of the independent Advisory, Conciliation and Arbitration Service (ACAS) on a statutory basis. Within the area of individual rights the Bill introduced provisions that included guarantee payments, remuneration on suspension on medical grounds, maternity pay, the right to return to work after maternity leave and time off for public duties.

In response to claims by the Opposition that the Bill imposed an added cost on industry at a time when it could least afford it and took no account of the problems of small businesses, Mr Booth said that many items involved little or no extra cost for employers. The average cost of the Bill's provisions was estimated at 10p per week per employee at 1974 prices, most of which would result from the guarantee payments and maternity provisions. Moreover, changes proposed in the law on unfair dismissal (see pp 160–323, 1974 and p 28) would affect only a minority of employers who failed to maintain generally accepted standards of reasonable behaviour towards their employees. Guarantee payments when little or no work was available would not affect many industries where voluntary schemes already existed that were better than the modest proposals contained in the Bill. Moreover, he could not believe that it was right to give the employees of small firms lower standards of statutory protection than those of large firms, whose problems had to be tackled in other ways.

The Opposition had said that the Bill made no attempt to establish a fair balance between management and unions, Mr Booth commented, and replied that the Bill proposed changes in the law to make it appropriate to the good relationships between management and unions that had been developed in Britain and to give legal support to management by consultation by requiring management to inform, consult and in some cases negotiate.

Collective Bargaining

Mr Booth explained that in establishing the ACAS on a statutory basis and defining its functions, the Bill charged it with the duty of promoting the improvement of industrial relations, encouraging the extension of collective bargaining machinery and, where necessary, the reform of such machinery. The service also had a key role to play in promoting the peaceful settlement of disputes by conciliation or by securing agreements to refer disputes to arbitration; it had dealt with 50 per cent more requests for conciliation in the first six months of its existence than had the Department of Employment in the previous six months, and with 100 per cent more cases by arbitration in the same period. This gave the Government confidence in the service's ability to undertake the wider responsibility and greater role which the Bill prescribed for it. A Central Arbitration Committee (CAC) would be established with an independent chairman and members drawn from trade unions and employers' associations to deal with rights to trade union recognition where these could not be resolved by negotiation or conciliation; the CAC would also be concerned with areas of negotiation, the extension of negotiating rights to cover matters other than wages and hours of work and to additional grades of workers, and the disclosure by employers to recognised unions of information needed for collective bargaining.

Guarantee Payments

The Bill contained new rights for individual employees, which included guarantee payments intended to ensure that workers laid off because of shortage of work would receive certain income from their employer for a limited time subject to a maximum of £6 a day (which may be raised subject to parliamentary approval) and to five days in any calendar quarter. The guarantee would not extend to those laid off as a result of a dispute occurring within the area of their employment or within the premises of their employer.

Maternity Leave

Women who left their job on account of pregnancy and wished to return to work after childbirth would be entitled to six weeks' paid maternity leave if they had worked continuously for two years for an employer. A woman would also have the right to return to work in the occupation in which she was previously employed. While the Government recognised that in some cases it would not be possible for employers to give exactly the same job back, it was anxious at this stage to establish that there should be, as a fundamental right of working women, the ability to take maternity leave and return to work afterwards.

Insolvency

Employees of firms which went bankrupt would be able to claim arrears of wages, holiday pay and pension fund contributions from an extended redundancy payments fund up to a limit of £80 a week.

Other Rights of Employees

The Bill established many other rights, including protection against victimisation for trade union membership or activity, time off for trade union duties and certain types of public duty, and guarantee payments for employees who were suspended from their normal occupation on medical grounds under a statutory requirement and for whom no alternative work was available.

Unfair Dismissal

The unfair dismissal provisions of the Trade Union and Labour Relations Act (see p 160, 1974) would be improved mainly to facilitate reinstatement or re-engagement rather than financial compensation for dismissal. The Government was particularly concerned about cases in which employees were dismissed for trade union membership or activity since such dismissals were more likely to give rise to industrial disputes than dismissals for other reasons.

Wages Councils

The powers of Wages Councils would be widened and progress stimulated towards voluntary collective bargaining in those areas of industry where statutory control of wages and conditions was still

necessary. Independent trade unions (see p 159, 1974) would be enabled to make a claim to the ACAS if an employer was paying less than the minimum negotiated with other employers in similar circumstances. The Bill also contained provisions (which formed an important part of the Government's measures to help the low-paid and to extend collective bargaining) for claims to be made to the ACAS where an employer had workers employed on terms and conditions that were less favourable than the general level observed by other employers in the same industry, in the same district, and whose circumstances were similar. This was in essence the same right that the fair wages resolution (see p 226, 1974) gave to employees on Government contracts.

Handling of Redundancies

The Bill would require employers to consult representatives of recognised trade unions about all redundancies and to provide them with all relevant information at least three months in advance of redundancies which involved 100 or more employees over three months and at least two months in advance of redundancies which involved 10 or more workers over a period of one month.

Employers would also have to give similar periods of notice to the Secretary of State so that necessary plans for redeployment or retraining could be made by the Manpower Services Commission (see p 69) and its agencies. An employer would have a duty to take whatever steps were reasonably practicable in the circumstances if compliance with the requirements of the Bill was impracticable. These provisions implemented, and indeed went well beyond, the recent European Community directive on collective dismissals in the shaping of which British representatives played a full and constructive part during the discussions in Brussels. Mr Booth hoped that employees would not wait for them to become law but would put them into practice at once if the need arose, since by doing so they would ensure that the problems of redundancy were fully explored in advance and dealt with in a sensible and humane way.

Picketing

With regard to picketing, the Bill contained a provision which established beyond doubt that the rights of pickets included the right to exercise persuasion on other people by peaceful means short of obstruction, as well as the right to attend for that purpose at any place other than a person's home. The Government would continue to study the problems arising from the stopping of vehicles by pickets and keep them under review.

Wider Aims

Mr Booth concluded by saying that, although the Bill was primarily concerned with employment protection, it had wider significance and provided the clearest possible evidence of the Government's firm commitment to the social contract (see p 108), which in its view remained the only realistic policy for containing inflation. Like the legislation on sex discrimination (see p 165) and pensions (see p 162) which was already before the House, the Bill was designed to remove inequities between different groups of workers, and many of the rights which it proposed to extend to all employees had been taken for granted by most of those in white-collar employment. The Bill's aim to extend collective bargaining to areas other than pay was also entirely consistent with the guidelines for the social contract. Finally, the provisions about disclosure of information complemented those in the Industry Bill (see p 104), while the development of planning agreements (see p 105) would combine with the proposals in the present Bill to give workers, through their chosen representatives, a more effective say in decisions which vitally affected them. The Bill thus formed an essential part of the Government's social and economic policies, and Mr Booth commended it to the House above all on the grounds that it derived from the experience, problems and needs of the men and women who worked in the industries and services of Britain and could thus render a service to those whose labour created the wealth of the country.

Winding up the debate, the Under-Secretary of State for Employment, Mr Harold Walker, welcomed members' support for the ACAS and said that criticism of the Bill had tended to concentrate on alleged bias and the imbalance between employer and worker, the burden of costs, the alleged failure to help the lower paid and the problems for small businessmen. It was the Government's view that voluntary collective bargaining was normally the most effective means of ensuring a decent wage for working people, and the Bill contained provision to enable a Wages Council to be transformed into a statutory joint industrial council giving the parties to its proceedings more power, more self-control and a wider scope for bargaining, thus hastening progress towards voluntary collective bargaining. The Bill was aimed at remedying some of the identifiable causes of the disorder that undeniably afflicted the British industrial relations system, of which strikes were often only the symptoms; it sought to strengthen and extend the voluntary collective bargaining on which the system must continue to be based; it extended to all workers long-overdue rights which hitherto had been the privilege of all too few; and above all it would help to dispel the bitterness which lingered in the aftermath of the Industrial Relations Act and remove some of the barriers to better relationships in industry and society.

OPPOSITION VIEWS

The chief spokesman for the Opposition, Mr James Prior, thought, as did the spokesman for the Liberal Party (see below), that many of the benefits introduced by the Bill should be the responsibility of the State rather than of employers and doubted the wisdom of extending statutory regulation into many areas traditionally reserved for free collective bargaining. In addition to expressing the criticisms discussed by Mr Booth (see above), Mr Prior was also concerned about the effect of the maternity provisions on the future employment of women and the absence of clauses to deal with the problems of overmanning.

Mr Cyril Smith, spokesman for the Liberal Party, thought that much of the Bill was designed not to

protect employment but to strengthen the hands of the trade union movement. If the Bill were approved by the House, Liberals would seek to ensure that it helped people rather than unions and that it made a positive contribution to good industrial relations.

Space Activities

Recent space activities have included agreement of the text of the convention for the new European Space Agency and the appointment to it of a British director-general; and the discovery of new X-ray sources in the universe by the British *Ariel 5* scientific satellite.

European Space Agency

At a meeting in Brussels on 15 April, ministers with responsibility for space affairs from ten European countries (Belgium, Denmark, France, Federal Republic of Germany, Italy, Netherlands, Spain, Sweden, Switzerland and the United Kingdom) agreed the text of the convention for the new European Space Agency (ESA), which will come into *de facto* existence the day after signature of the convention – probably towards the end of May. The ESA resulted from a British proposal accepted by the European Space Conference (ESC) in December 1972 (see p 84, 1972) and agreed in principle as part of the European space programme for the next decade (see p 411, 1973). It will incorporate the European Space Research Organisation (ESRO) together with selected residual activities of the European Launcher Development Organisation (ELDO), the programmes of which were finally abandoned in April 1973. The ministers also agreed to the appointment of Mr Roy Gibson of Britain as the first director-general of ESA and of eight other directors from Belgium, France, Federal Republic of Germany, Italy and Sweden. Mr Gibson has been director of administration and acting director-general of ESRO and acting secretary-general of the European Space Conference. The council of the ESA will be able to meet at ministerial or official level and will thus replace the ESC as well as the ESRO and ELDO councils.

Member states of the ESA will be able to choose the projects outside the basic scientific programme in which they wish to participate and to select a rate of contribution which reflects their interest in them [not a fixed rate related to gross national product (GNP) as in the original ESRO programmes]. Moreover, it was agreed that there should be a gradual and voluntary merging of national civil space programmes into a joint European programme within the framework of the ESA; this will help to eradicate wasteful duplication of projects and facilities.

The agency will develop and apply an industrial policy designed to improve the worldwide competitiveness of the European space industry while ensuring that the industries of member states receive a fair return for their financial contribution not only in terms of the amount of work received, as in ESRO, but also in the technological value of the work.

It was agreed that the agency should take over the existing science and applications satellite programmes of ESRO as well as three new programmes which were approved at the meeting of the European Space Conference in July 1973 and which have been started under the aegis of ESRO. Participation in the science programme is obligatory for all member states which contribute in proportion to GNP; the programme accounts for about 17 per cent of the ESRO budget. Britain's share of this is funded by the Science Research Council and amounts to £4·8 million out of the total British contribution to ESRO of £20·3 million. Apart from the science programme, the existing ESRO programmes are: an experimental European regional communications satellite – launch date summer 1977; *Aerosat*, an experimental satellite for air traffic control purposes – launch date early 1978; and *Meteosat*, a meteorological satellite – launch date 1 April 1977.

Britain has a share of around 20 per cent in each of these projects. The three new programmes approved in July 1973 and financed on the basis described above are: *Marots*, an experimental maritime communications satellite – launch date October 1977; *Spacelab*, a manned laboratory to be carried in the US shuttle – launch date 1980; *Ariane*, a heavy satellite launch vehicle – launch dates 1979 and 1980.

In these programmes Britain has a 56 per cent share in *Marots* and a 6·3 per cent share in *Spacelab*. In view of doubts about the need for European launch vehicles, Britain is not taking part formally in the *Ariane* project but has agreed to enter into a bilateral support agreement with France for financing work in British industry[1] on launcher technology (equivalent to 2·4 per cent of the *Ariane* budget). All these application programmes are covered by international agreements.

It was also agreed that the agency should contribute to the basic costs of the Kourou (French Guiana) launching site in the period 1976-80.

'Ariel 5' Discovers New X-ray Sources

The British satellite, *Ariel 5*, launched on 15 October 1974 (see p 438, 1974) containing experiments from the Mullard Space Science Laboratory, Dorking, and the Universities of Birmingham and Leicester, designed to measure the position of X-ray sources, has revealed previously unreported sources near the known source *Cen X-3*.[2]

At a conference in London, Professor Ken Pounds, of the University of Leicester, said that the most outstanding feature of the X-ray stars shown by the satellite was their incredible energy. They were radiating a thousand times as much energy in the X-ray band as the sun does in the whole of its radiation frequencies.

The first results began to come in at the end of 1974, and just before Christmas 1974 a new X-ray source was detected near the centre of the earth's galaxy (the Milky Way). This had not shown up there in other satellite X-ray surveys even as late as

[1] Britain's main space companies are British Aircraft Corporation (Electronics and Space Systems Group), Hawker Siddeley Dynamics, Marconi Space and Defence Systems, and Ferranti. They are involved either as leaders of consortia or as co-contractors in current European space projects.

[2] *Nature*, vol 254, 17.4.75, p 577.

November. Since then it had increased in brightness and in February was the second brightest source discovered in the X-ray band.

Professor Peter Willmore, leader of the Birmingham University X-ray astronomy team, described it as an object totally different from other stars. One of the remarkable things about the X-ray sources is that they appear to come and go. *Ariel 5* has, for instance, discovered nineteen new sources in the Milky Way alone.

Another astronomically important object newly discovered is a pulsating X-ray star. This flared up in brightness on Christmas Day and has been named *CEN-Xmas*. Radio pulsars have been known for some years but not an X-ray pulsar. Explanation of its pulsating may be that it is a rotating neutron star, an object unbelievably dense and possessing enormous gravitational fields. But it is more likely to be a binary system, consisting of a burnt-out star, called a white dwarf, and a neutron star or even a black hole,[1] circling round each other. The X-ray emission would come from material being torn off the white dwarf. CEN-Xmas pulsates at a frequency of 6·7 minutes.

The third potentially important discovery made by *Ariel 5* comes from its equipment for checking the spectrum of X-ray emissions. Professor Pounds said that it had shown that heavy elements could be present in the remnants of supernovae – stars that have exploded. It is thought that when the 'big bang' happened (according to one of the 'evolutionary' theories of the universe – see p 439, 1974), the only element that had been built up from nuclear particles was helium. All the rest would have had to be synthesised, the conditions for this being those in a star that was just about on the point of exploding into a supernova. The existence of heavy elements in the remnants of exploded stars would support the 'big bang' theory.

Ariel 5 circles the earth every 95 minutes. Its useful life is expected to last well into 1977.

Metrication Board

SIXTH REPORT

The sixth report of the Metrication Board – for the year ended 31 December 1974 – published on 29 April,[2] records further progress in 1974 in a number of directions. The change to the metric system in Britain is, it says, now irreversible and it is essential that its remaining stages should be completed without further delay, although this cannot be done by the end of 1975 as originally envisaged. The Secretary of State for Prices and Consumer Protection, Mrs Shirley Williams, recently assured the House of Commons: 'In those fields where there is direct Government responsibility I shall be aiming to ensure faster progress' (*Hansard*, 17.3.75, written answers, col 271).

Consumer Goods

The report says that the number of consumer products in metric dimensions and weights on sale in shops increased during 1974. An appendix to the report lists some goods – though not all in any category – now commonly sold in metric. They include beds, bedding, carpets and flooring, cleaners and polishes, drinks, food, furniture and fittings, garden items, hardware, heating apparatus, kitchen equipment, knitting and sewing items, lighting and measuring items, pharmaceuticals and toiletries.

Food

The Weights and Measures Act 1963 requires many basic foods, when pre-packed, to be sold by retail only in prescribed quantities. By the end of 1974 Orders had been approved by Parliament prescribing quantities for pasta, salt and sugar. Draft Orders for dried vegetables, flour, biscuits and cereal breakfast foods and oat products had been issued as consultative documents.

An increasing range of foods for which quantities are not prescribed is becoming available in metric quantities and some manufacturers are tending to change to metric sizes when producing new packs.

Consumers' Information Needs

There is now increasing awareness among the public of the change to metric measurements, the board comments. This has been largely brought about by the introduction of metric measurement in clothing. The chief needs of consumers during the metric change are for information and reassurance. The board is engaged on a considerable information programme largely geared to meeting consumers' needs.

Guidance to consumers and retailers has been provided in the form of wall charts and handbag/pocket shoppers' aids for use in shops during the metric change in retailing of fabrics and carpets.

Guidance is available to consumers from local services such as Trading Standards Officers, Citizens' Advice Bureaux and Consumer Advice Centres. Suppliers are encouraged to inform customers of the changes to their products resulting from metrication. Retailers are being encouraged to train staff to help shoppers; industrial training boards and colleges of further education are playing a leading role.

The Metrication Board maintains contact with organisations concerned with the welfare of the elderly and handicapped. It has offered co-operation and assistance to local authorities for groups who may experience particular difficulty during the metric change.

Prices

The board considers that there is no reason why metrication should itself increase prices per unit of product. When metric packs are introduced any price changes arising from metrication should generally be no more than proportionate to the changes in quantity.

The price control system administered by the

[1] 'Black holes' are, broadly speaking, among several objects in space which emit X-rays (others being 'white dwarfs' and 'neutron stars'). Black holes, which may be of any size, are possibly caused by collapsing stars where the ordinary laws of physics (for example, gravitation) do not apply and matter is no longer held apart by anything. Black holes, while predicted by all widely-held theories of gravitation and described by Laplace as early as 1799, are still in the realm of science fiction. X-ray astronomy is attempting to provide conclusive evidence of their existence.

Going Metric: Progress in 1974. HMSO, £1·20. ISBN 0 11 700175 9.

Department of Prices and Consumer Protection and the Price Commission was established as a safeguard against unwarranted price increases. This system, the report says, will therefore be of assistance in protecting the consumer during the change to metric measurements.

The Department of Prices and Consumer Protection is issuing advice to retailers on price conversions.

Agriculture, Horticulture and Fisheries

The metrication programme for agriculture, horticulture and associated industries is centred on the farming year 1975-76. At the major ports, where vessel owners are members of the British Trawlers Federation, landings of all fish have been weighed in metric quantities from 1 January 1975.

Health

The Department of Health and Social Security hopes to publish in 1975 a circular giving guidance to health authorities. This will be aimed at achieving the metrication of medicine before the end of the year. The Health and Safety at Work Act (see pp 177-9, 1974) now empowers ministers to make regulations to substitute metric units for non-metric units. Regulations made in November 1974 amended the Factories Act so that pressure gauges may be marked in metric or imperial terms.

Transport and Communications

Nearly all freight tariffs are based on metric weight gradations. Since 12 August 1974 the charges for telephone trunk calls have been based on metric distances of up to 56 km and over 56 km. The Post Office has announced that postal tariffs are to be metricated in September 1975.

Maps and Charts

Maps of Wales and the southern half of England to a scale of 1 : 50,000 (2 cm to 1 km) with spot heights and contours in metres were published by Ordnance Survey in 1974. They replace the 1 : 63,360 (1 inch to 1 mile) map. Sheets covering northern England and Scotland will be available in 1976. About one in three Admiralty charts for British home waters are in metric.

Industrial Materials

Rationalised metric sizes have been introduced as standard production by most of materials' producing industries. The change to metric trading in these industries is substantially completed.

Steel

Metric sizes are now standard production for sheet, plate, angle and hot-rolled steel bars. New metric ranges of hot-rolled sections will be introduced as agreement on international standards is reached. During 1974 a range of co-ordinated metric sizes of bright drawn steel bars was introduced.

Construction

The construction industry's metrication programme is now almost complete.

Customs Tariff

The Customs Tariff and Overseas Trade Classification is now virtually all in metric terms.

Education

The teaching of metric units at secondary level is well advanced. As more items of consumer interest have become available with metric markings, teachers have been able to relate metric units more positively to the child's environment. This is particularly important at primary school level. Though the teaching of metric units at secondary level is well advanced, a closer adherence to the standardised orthography of units and related metric practice needs to be achieved.

In technical and higher education, the changeover to the metric system has kept pace with the changes in industry.

Main Recommendations

Among the Metrication Board's main recommendations are that the Government should make much more widely known the need for the change to be completed expeditiously and state its determination to complete the necessary legislative action. In particular, the Department of Energy should ensure that firm programmes are adopted in respect of fuel and power, and purchasing officers in Government departments and in all public and local authorities should be given firm instructions to specify their requirements in metric units; statutory impediments to complete metrication should be removed by the amendment of the Weights and Measures Acts (see *Metrication in Britain*, SN 5973); parliamentary approval should be sought for additional Orders to allow prescribed quantity goods to be sold in packs; and the task of familiarising the public with metric measures and their use in everyday life, and with the changes that are taking place in the consumer goods sector, should continue.

Progress Overseas

The five countries which have not yet decided to make the change[1] now account for less than 1 per cent of Britain's exports, most major markets for which are already metricated or are becoming so.

Australia: Progress has been rapid, and by the end of 1974 the changeover was judged to be more than 50 per cent complete. Among the major changes to metric units in 1973 and 1974 have been those in engineering, building and construction, and transport industries, and in education, farming, wholesaling and retailing. In retailing, Australia has tackled the conversion of scales on a zonal basis starting in Sydney and Melbourne metropolitan areas. The conversion of road speed and distance signs was completed in a short operation of a few weeks commencing in July 1974.

Canada: Canada decided in 1970 to make the change to metric. Progress has been made in a number of areas and it is expected that the pace of change will build up to a peak in 1977 and 1978. Many primary schools are already teaching measurement entirely in metric and all will do so in the year 1975-76. Temperatures in public weather forecasts have been

[1] Brunei, Burma, Liberia, Yemen Arab Republic, People's Democratic Republic of Yemen.

given in Celsius terms only since 1 April 1975. Some kilometre distance signs have been erected to provide preliminary education for drivers prior to the general change in all road signs and speed limits to be made in September 1977.

The Republic of Ireland: Steady progress towards the target date of the end of 1975 has been achieved. During 1974 the malting, paint, chemical and cement industries completed the changeover. Considerable progress was made in building materials, engineering, tanning, adhesives and paper. In education, both technical and secondary school examinations use only metric units.

New Zealand: Metrication is substantially completed in education, agriculture, horticulture and land surveying, temperature and rainfall measurement, transport including the sale of motor fuel, the clothing and textiles industry, and athletics and sport. Like Australia, New Zealand has adopted the zonal approach to the metrication of retail sales of weighed-out foods. Substantial completion of the metrication programme in New Zealand is expected by 1976.

Nigeria: The metrication programme announced in December 1972 shows every sign of achieving is target of 70 per cent completion by the end of 1975. Legislation passed in 1974 provides powers for Orders to be made making it illegal for units of measurement other than those of the international metric system to be used in trade and commerce.

South Africa: South Africa has similar legislation embodied in the Measuring Instruments and National Measuring Standards Act. The first prohibitions under this legislation made illegal the use of non-metric units in advertising and in building and construction plans after 1 January 1975. The targets set during the initial planning stages of the national metrication programme in South Africa have all been met and the programme is now well on the way to completion.

United States of America: One of the most important metric developments in 1974 was the passing by Congress of an Education Bill authorising, among other things, expenditure of $40 million on metric education over the next four fiscal years. The Bill stated that the metric system of measurement is in general use in industrially developed nations and its use is increasing; that increased use of such metric system in the United States is inevitable, and such a metric system will become the dominant system of weights and measures in the United States.

Co-ordinating and sector committees of the American National Metric Council are actively undertaking the planning and co-ordination services necessary to assist in metric conversion for many industrial sectors. The list of industrial firms going metric is continually growing, with Chrysler and Rockwell International among the more notable additions during 1974. Education is keeping pace with industry. In nearly every state there is some type of formal, state-level activity related to metric education.

SOCIAL AND CULTURAL AFFAIRS

Hospital Pay Beds

The Government policy of phasing out private pay beds in National Health Service (NHS) hospitals was re-affirmed by the Secretary of State for Social Services, Mrs Barbara Castle, during a debate in the House of Commons on 5 May (*Hansard*, cols 1084-1146).

Mrs Castle said that the National Health Service was based on the principle that health care should be available to all free at the point of use and that access to treatment should be on the basis of medical priority alone and not on ability to pay. The policy of the Government, therefore, was to phase out the 4,500 pay beds (1 per cent of beds in NHS hospitals) and so release more facilities and services for the benefit of NHS patients. This programme would be effected by legislation as soon as parliamentary time was available.

Drawing attention to the fact that only 52 per cent of pay beds in NHS hospitals in England were occupied by paying patients at any one time, Mrs Castle announced that authorisations of pay beds would be reduced at once in areas of under-utilisation. She noted that there was concern that some patients were admitted to pay beds with less delay than NHS patients with similar medical conditions, and undertook to urge the medical profession to introduce common waiting list procedures for paying and non-paying patients.

Mrs Castle stated that one of the reasons for patients wishing to 'go private' was their desire for greater privacy than they thought was available in the NHS. She pointed out that non-fee-paying patients receiving NHS treatment could already have a single or double room for extra privacy at a small charge, provided that the room was not required on medical grounds by someone else. The Government intended to maintain this system as it was committed to providing NHS patients with the maximum privacy possible.

Mrs Castle then considered the role of the private sector in medicine and emphasised that the Government did not intend to abolish private practice outside the NHS. As part of its responsibility for the care of patients within both public and private sectors, the Government had power to license private nursing homes and make regulations concerning their conduct.

The Government was considering the extension of these powers, in order to regulate more closely than was possible under the existing powers the operation, extent and development of the private sector. Consultations would take place with those representing the private medical sector before details of the licensing system were settled.

Mrs Castle said that the Government was anxious to maintain Britain's justifiable reputation as an international centre for specialised medical treatment. Those overseas patients wanting specialised treatment in NHS hospitals would continue to be treated but would be admitted as NHS patients with their fees going to the hospital service.

Regulation of the Medical Profession

Changes in the functions of the General Medical Council are recommended in the Report of the Committee of Inquiry into the Regulation of the Medical Profession.[1] The committee was set up in 1972 under the chairmanship of Dr A. W. Merrison, Vice-Chancellor of the University of Bristol (see p 536, 1972).

The General Medical Council (GMC) maintains a medical register and controls entry to it and removal from it. As the registering body the GMC has power to withhold recognition of the educational qualifications awarded by an institution by refusing to place on the register people holding those qualifications. The council, therefore, has considerable power over the profession and the institutions of medical education.

Proposals on Medical Education

The report begins with a section on the education of doctors and says that the supervision of medical education is the most important task of the GMC. It distinguishes three stages in the training of a doctor, namely undergraduate education; pre-registration and general professional training; and specialist training. Under existing legislation the GMC controls undergraduate medical education, part of the second stage but not specialist education The report proposes that there should be a three-tier system of education for every doctor in the future – undergraduate training, graduate clinical training and specialist training – and that these should be defined

[1] *Report of the Committee of Inquiry into the Regulation of the Medical Profession*. Cmnd 6018. HMSO, £1·75. ISBN 0 10 160180 8.

in the system of regulation and co-ordinated and controlled by the regulating body. In particular, the committee says that the GMC should maintain a specialist register so enabling specialist training to be recognised and controlled. The report argues that such a specialist education should be, in general, a precondition of the practice of medicine. An additional proposal of the committee is that the GMC should have a statutory duty to promote high standards of medical education.

Doctors from Overseas

The report then turns to the question of overseas doctors working in Britain and recommends that the GMC should register only those overseas-trained doctors whose standard is up to the minimum required in Britain. It also says that the GMC should be given power to grant specialist registration to overseas doctors wishing to work here. The overseas doctor would, however, have to have general registration in Britain before the grant of specialist registration was made. The committee pays tribute to the contribution made to the National Health Service by doctors trained in overseas countries.

Control over Right to Practise

The right of doctors to remain on the medical register is also discussed in the report. It says that at present the GMC may prevent a doctor from practising if he is convicted of a criminal offence or found to have committed serious professional misconduct. The committee endorses the general view of the medical profession that this control should also be exercised over the right of sick doctors to practise and recommends that the GMC's powers should be extended accordingly. The committee approves the present system of GMC control over doctors' conduct. It says, however, that the press reporting of misconduct hearings should not be permitted in most circumstances where a doctor has been found not to have committed serious professional misconduct.

DOCUMENTATION

(Documentation excludes publications referred to in Survey articles)

Government and Administration

Ministers' Memoirs. The Prime Minister announced the setting up of a committee of privy councillors to consider the principles which should govern the publication by former ministers of memoirs and other works relating to their experience as ministers. *Hansard*, 11.4.75, written answers, col 483.

Civil Service Commission: Annual Report 1974. Available free on request from the commission, Alencon Link, Basingstoke, Hants, RG21 1JB.

Criminal Justice in Britain. COI, R5984/75.

Annual Report of the Council on Tribunals 1973-74. HMSO, 45p. ISBN 0 10 022895 X.

Seychelles Constitutional Conference 1975 (see p 129). Cmnd 6042. HMSO, 20p. ISBN 0 10 160420 3.

External Affairs and Defence

Commonwealth Heads of Government Meeting 1975. COI, Factel No 656.

Economic and Scientific Affairs

Economic Co-operation. Second Nam Ngum Development Fund Agreement, 1974. Cmnd 5955. HMSO, 22p. ISBN 0 10 159550 6.

Laos. Exchange of Notes concerning Financial Assistance by the United Kingdom to the Provisional Government of National Union of Laos. Cmnd 5956. HMSO, 12p. ISBN 0 10 159560 3.

Peru. Exchange of Notes concerning a Development Loan by the United Kingdom to Peru. Cmnd 5963. HMSO, 20p. ISBN 0 10 159630 8.

Preliminary Estimates of National Income and Balance of Payments 1969 to 1974. Britain's output of goods and services (gross domestic product) in 1974 was valued at £71,700 million. In real terms the volume of output was little changed between 1973 and 1974. Output was adversely affected in the first half of 1974 by the three-day week (see p 16, 1974) and recovered in the second half to a level 1-1·5 per cent higher than in the second half of 1973. A sharp deterioration in the terms of trade between 1973 and 1974 led to a fall of about 4 per cent in real national disposable income (see pp 80-1). Industrial production fell by about 3 per cent between 1973 and 1974. Total personal income rose by 18·5 per cent between 1973 and 1974. Personal *disposable* income (that is, after deduction of taxes and national insurance contributions) rose by 15·5 per cent in 1974, and, after taking price rises into account, the estimated increase in *real* personal disposable income was less than 1 per cent. On the basis of preliminary estimates, the personal savings ratio (saving as a percentage of personal disposable income) increased from 11·3 per cent in 1973 to 12·1 per cent in 1974, a similar increase to that between 1972 and 1973. Fixed investment in total at constant prices fell by 2·5 per cent in 1974. Manufacturing investment was 10·5 per cent higher than in 1973. There was a very strong rise in mining and quarrying investment as a result of North Sea oil and gas activity. Fixed investment by most service industries fell in 1974, and there was a fall of 8 per cent in the volume of investment in dwellings. (This summarises some of the points of the commentary given in *National Income and Expenditure in the Fourth Quarter and Year 1974*, Central Statistical Office press notice, 9.4.75. The balance of payments is discussed on pp 150-3 of *Survey of Current Affairs*.) Cmnd 6019. HMSO, 34p. ISBN 0 10 160190 5.

Cyclical indicators for the United Kingdom economy. This article introduces an important new development for the presentation of economic data in Britain. The Central Statistical Office has studied the main United Kingdom economic indicators (for example, gross domestic product, rate of interest and investment) to establish which of them can be regularly associated with movements of the business cycle. They have identified eight indicators which regularly 'lead' the cycle, five 'coincident' and five 'lagging' indicators. From these statistical series have been formed four 'composite' indicators representing long leads, shorter leads, coincident and lagging indicators respectively. The composite indicators will be charted every month in *Economic Trends* together with a short note summarising recent movements. Once every quarter all 18 indicators will be shown separately. *Economic Trends*, No 257, March 1975.

Britain's External Trade and Payments. COI, R5529/74. [Addendum, February 1975.]

Overseas Trade and Payments. COI, FSB/F1/74. [Supplement, April 1975.]

The Commonwealth in World Trade 1973-74. Commonwealth Secretariat, Marlborough House, London SW1Y 5HX. £3. ISBN 0 85092 095 7.

Customs Co-operation Council (see p 171). Bulletin 18: Activities of the Council, July 1972 to June 1973. HMSO, £6·94. ISBN 0 11 982041 2. Bulletin 19: Activities of the Council, July 1973 to June 1974. HMSO, £6·94. ISBN 0 11 982042 0.

Fair Employment (Northern Ireland) Bill. Legislation to promote equality of job opportunity between people of different religious beliefs in both the public and private work sectors in Northern Ireland was introduced in the House of Lords on 5 May 1975. *Hansard*, HL, col 102.

Manpower Services Commission. Annual Report 1974-75. The report summarises Government policies affecting the labour market before 1974; describes the first year of the commission's work; and outlines contingency plans for higher unemployment, manpower requirements for offshore oil development and the commission's objectives for the future (see also pp 69, 226, 440, 1974). From: Manpower Services Commission, Stratton House, Stratton Street, London W1X 6AS.

Employee Participation–a management view. Report of a BIM Working Party. British Institute of Management, Management House, Parker Street, London WC2B 5PT. 75p.

Manpower and Employment in Britain: Trade Unions. COI, R5682/75.

Review Body on Doctors' and Dentists' Remuneration. Fifth Report 1975. Cmnd 6032. HMSO, 65p. ISBN 0 10 160320 7.

Price Commission. Report for the period 1 December 1974 to 28 February 1975. HMSO, 95p. ISBN 0 10 023435 6.

Fireworks. A Consultative Document–Department of Prices and Consumer Protection. The Government is reviewing the need to extend existing controls over fireworks and the purpose of this document is to give all those interested an opportunity to express their views in the light of the latest statistics. The review is concerned with the consumer safety aspects of the sale and use of fireworks in Great Britain. Available from the Department, Fair Trading Division, 1 Victoria Street, London SW1H 0ET.

G. and A. N. Scott Ltd and The Guardian and Manchester Evening News Ltd. Report by the Monopolies and Mergers Commission. House of Commons Paper 349. HMSO, 22p. ISBN 0 10 023495 X. The Minister of State for Prices and Consumer Protection, Mr Alan Williams, told the House of Commons that the transfer of four newspapers owned by G. and A. N. Scott Ltd to the Guardian and Manchester Evening News Ltd was not expected to operate against the public interest and formal consent had been given for the merger. *Hansard*, 30.4.75, written answers, col 152.

Report on Metrication in the Construction Industry. (By H. J. Cruickshank, Chairman of Committee for Industrial Materials and Construction Industries.) Metrication Board. HMSO, 50p. ISBN 0 11 700199 6.

Offshore Energy Technology Board. The Government has decided to transfer the responsibility for research and development in offshore oil and gas technology from the Ship and Marine Technology Requirements Board to a new Offshore Energy Technology Board (OETB) with effect from 6 May 1975. The OETB will advise the Secretary of State for Energy on research and development programmes designed to ensure the safety and efficiency of offshore operations and to improve the competitive position of the British offshore industry. *Hansard*, 6.5.75, written answers, col 427.

Second Report on the Nuclear Ship Study. The report concludes that, although on economic grounds the weight of evidence now favours the commercial adoption of nuclear power for ships (particularly container vessels), there are still several major uncertain factors such as future prices of nuclear fuel and bunker oil. Department of Industry. HMSO, 95p. ISBN 0 11 511172 7.

Food Research Institute. Report for the Years 1969-73. Agricultural Research Council. HMSO, £1·25. ISBN 0 7084 0003 5.

Intervention Board for Agricultural Produce. Report for the year 1974. Cmnd 6063. HMSO, 52p. ISBN 0 10 160330 4.

Ministry of Agriculture, Fisheries and Food. Report on Research and Development 1974. HMSO, 65p. ISBN 0 11 241097 9.

Code of Practice for the Carriage of Radioactive Materials by Road. Department of the Environment. HMSO, 80p. ISBN 0 11 550348 X.

Notes on Control of Environmental Pollution: Policy and Organisation. COI, SN5988/1.

Business in Britain. A Philip Management Planning Atlas. The atlas contains maps and statistical tables providing economic, social, and demographic information on various areas and cities in Britain and the Irish Republic. It is designed to assist industry, commerce, government and other agencies in making planning decisions. George Philip & Son Ltd., 12-14 Long Acre, London, WC2E 9LP. £16. ISBN 0 540 03180 1.

Social and Cultural Affairs

Census of Population (see pp 115-16). The Chancellor of the Exchequer announced in his

Budget speech in the House of Commons (see pp194–8) that as part of the programme of reductions in public expenditure the Government had decided not to proceed with a census of population in Great Britain in 1976. *Hansard*, 15.4.75, col 296.

Crime and the Prevention of Crime. A memorandum by the Scottish Council on Crime which considers the state of crime in Scotland, the measures being taken to prevent it and ways in which these might be made more effective. The council is appointed by the Secretary of State for Scotland to review questions of crime prevention and the treatment of offenders. HMSO, 95p. ISBN 0 11 491313 7.

Curricular Differences for Boys and Girls. Department of Education and Science. Education Survey No 21. Report of a study by school inspectors of the extent to which curricular differences and customs contribute to inequality of opportunity of boys and girls in England and in Wales. HMSO, 41p. ISBN 0 11 270381 X.

University Grants Committee. Annual Survey Academic Year 1973-74. Cmnd 6034. HMSO, 26p. ISBN 0 10 160340 1.

Commonwealth Scholarship Commission. Fifteenth Annual Report for the Year ending 30 September 1974. HMSO, 65p. ISBN 0 10 022645 0.

Housing and Social Work–a joint approach. The report of the Morris Committee on links between housing and social work. Scottish Development Department. HMSO, £1. ISBN 0 11 491309 9.

Development Control Policy Note–Hostels and Homes. One of a series of Notes setting out current ministerial policy and giving general guidance. HMSO, 9p. ISBN 0 11 750145 X. A list of other Notes in this series can be obtained free from the Department of the Environment, 2 Marsham Street, London SW1P 3EB.

Guide to Countryside Interpretation. Prepared by the Countryside Commission and the Countryside Commission for Scotland. Part One–Principles of Countryside Interpretation and Interpretive Planning, HMSO, £1·25. ISBN 0 11 880156 2. Part Two–Interpretive Media and Facilities, HMSO, £3·35. ISBN 0 11 491184 3.

Town and Country Planning in Britain, COI, R5355.

Report of the Gaming Board for Great Britain 1974. HMSO, 38p. ISBN 0 10 023185 3.

Census of Staff in Librarianship and Information Work in the United Kingdom 1972. The objective of the census, which was carried out by the Department of Education and Science, was to provide information on librarians and information scientists in the United Kingdom for use as basic data for research into library manpower requirements being carried out by the department. Available free from the Arts and Libraries Branch, Department of Education and Science, 38 Belgrave Square, London SW1X 8NR.

Public Libraries and Cultural Activities. Library Information Series No 5. A joint report by the English and Welsh Library Advisory Councils. It suggests that public libraries could take a larger role in the development and provision of cultural activities which it defines as those of an artistic, literary or intellectual character that help people to explore and acquire a richer understanding of the society of which they form a part, especially its history, its potentialities, its problems and its heritage. Department of Education and Science. HMSO, 65p. ISBN 0 11 270268 6.

Automation Guidelines for Public Libraries. Library Information Series No 6. The report, produced for the Department of Education and Science by the Association of Special Libraries and Information Bureaux, analyses the factors which libraries need to take into account when introducing automatic data processing facilities. HMSO, 95p. ISBN 0 11 270269 4.

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